

'Organisation performance through a human capital lens'



Employee Engagement:

Transforming employee surveys into
workforce intelligence instruments

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Transforming employee surveys into workforce intelligence instruments

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Many organisations conduct some form of employee survey, but typically these are seen as onerous or bureaucratic exercises. This typically stems from an inability to draw insight from survey findings, from a human capital management perspective, reducing the survey to an internal research or compliance exercise.

This article explores how an employee survey can provide detailed human capital management insight in support of 'workforce intelligence' through application of survey design expertise and human capital management expertise.

Six 'best practice' principles are set out to allow organisations to enhance current survey approaches and for HR functions to optimise investment made in employee surveys. These include insight around the wording of questions; the necessity for an underpinning human capital management framework; and the pitfalls of external benchmarking.

By treating surveys as a means of gathering workforce intelligence, organisations and HR functions can inform functional and organisational activity in support of increased employee performance and productivity.

Introduction

Workforce intelligence is another new term to grace the human resources industry. Its definition is just that, i.e. intelligence on the workforce.

It involves the systematic capture of workforce related data and uses this for a number of different organisation applications; from trend analysis, e.g. workforce planning to real-time modelling, such as linking collective employee engagement to unit performance; from work related insight such as the reasons why short tenured staff are leaving for to managerial decision-making, e.g. how changing the employee 'deal' may boost retention; from detailed analysis, for example, the HR function's use of resources, to undertaking a strategic evaluation, i.e. deriving a macro-assessment of how an organisation's people management practice is performing against competitors and whether it is optimising its human capital.

In this article, we look at how the common application of employee surveys can be enhanced – providing organisations with far more opportunities if seen as a workforce intelligence tool.

At the same time, we put forward that there are two fundamental components to enhancing employee surveys, (i) a deep understanding of human capital management, and (ii) a deep understanding of instrument design and application.

Without these we show that many organisations are investing considerable sums of money on resulting 'intelligence' that is both flawed and potentially misleading, and that any subsequent attempts at benchmarking can be very limited.

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In particular, this article shows how a more robust approach towards designing, conducting and analysing surveys can provide organisations with an ongoing form of monitoring and decision-making related to workforce intelligence.

We introduce *six principles of best practice* which revolve around two central fundamentals: specialist human capital management knowledge and specialist survey design and analysis.

However, we advise that this article is not a full academic treatise, as such, but a summary of the main points extracted from our forthcoming publication, 'Employee engagement: a treatise for organisational application'.

Employee surveys – more than just a tick-box

Much has been written on employee surveys. Interestingly, survey design and related statistical analysis have generated many publications. However, finding serious comment regarding employee surveys as workforce intelligence is in very short supply. The growing acknowledgement of employee engagement in the market-place has perhaps provided an opportunity to 'reset the clock'.

Experience within general industry would suggest that too many organisations approach an employee survey with a mixture of trepidation and uncertainty that would presage the arrival of external auditors. It is not unusual to hear comments from senior HR professionals along the following lines:

"We are about to announce redundancies/changes to terms and conditions/restructuring/management changes, and we don't think it's a good time to ask employees what they think."

"Our executive team says we conducted a survey last year and it's too soon to see a difference to the scores."

"We already know that things aren't good and morale's low, so what's the point asking employees to confirm this?"

Whilst there is undoubtedly an element of pragmatic cynicism underlying these comments, the fact that senior managers express these viewpoints would imply that a number of

organisations simply don't get the importance and utility of surveying employees.

Consequently, they are likely to be treating surveys, at best, as a 'compliance' exercise, seeking to minimise cost and time inputs, and missing the opportunity to see employee surveys as a unique opportunity to evaluate, inform and measure employee attitudes relating to engagement and core aspects of human capital management.

Our previous article, 'Employee Engagement: the secret of highly performing organisations', looked in particular at how 'engagement' differed the more common approaches used in surveying employees, particularly in providing a robust base model and definition and in question-statement

design and reporting.

Data gathered through an effective employee survey targets specific aspects (such as engagement), creating a structured insight into an individual's 'level and depth'. A key aspect is the picture that is formed by looking at the emerging themes emanating from the relationship between the various question responses across 'population slices' which provides a robust basis for actioning. Further factor-type analyses can be undertaken to provide more detailed insight – but this can only be done through a construct that is valid from a data collation perspective.

What is workforce intelligence?

It is perhaps helpful to clarify the meaning of our terminology, workforce intelligence. It might be seen as glib to suggest that 'Workforce intelligence' is 'intelligence on the workforce' but that's exactly what it means.

The terminology is directly equivalent to concepts in common parlance such as 'market intelligence' and 'competitor intelligence'. Yet the majority of organisations would accept that workforce intelligence is not a strong capability.

However, the growing focus on human capital and human capital management has seen an increase in the use of surveys to gauge user experience across a wide range of organisational areas of operation, as well as the focus on data to inform performance indicators, illustrating the importance of 'intelligence' as a means of assessing organisation performance and related decision-making.

One place where workforce intelligence has a natural home is in conducting employee surveys and for some leading organisations, particularly in banking and health, part of a wider workforce intelligence initiative that it would argue has become embedded in everyday operations.

Yet even these organisations would admit that they have only just begun to touch on the opportunities available with this type of organisational approach.

Below, left, is a particular model we have provided in understanding the role and scope of workforce intelligence. In terms of employee surveys, and/or employee engagement, the exercise itself would fit within the HCM assessment box under the evaluation set.

One thing to note is that for many organisations a data warehouse or data mart (this is a particular subset of a data warehouse, i.e. functionally relative) in human capital can be a simple excel spreadsheet.

One of the common myths is that organisations have to invest considerable sums of money to enable this. The reality is that just ensuring that reporting simple common data, such as FTEs or absenteeism is the place to start. A little due diligence here can provide a good basis for expanding analytic capabilities.

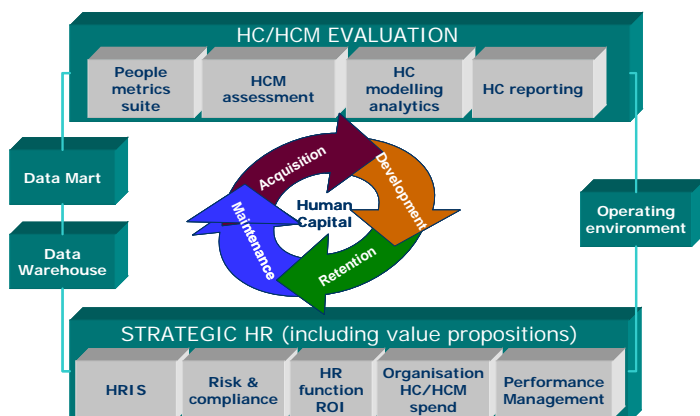
Fortunately, data on people is now becoming much more mainstream than before, owing to the increasing availability of system data. Just as CRM systems provided marketing with an explosion of customer insight, we believe that organisations are entering a similar kind of phase in terms of their workforce. This can provide organisations with considerable competitive advantage.

Employee surveys - a workforce intelligence perspective

What constitutes workforce intelligence from an employee survey perspective will to some extent depend on the organisation and requirements from the workforce but will typically consist of the following:

- Assessment of levels of employee engagement (not satisfaction)
- Employee opinions on specific initiatives or organisational issues (including attitudes towards health & safety, line management activity)
- Identification of differences within different 'segments' or type of workforce
- Analysing and interpreting and trend data

Note that the 'expanded' concept of workforce intelligence is broader than an understanding of measuring employee attitude or opinion. For example, a specific aspect of workforce intelligence might relate to pay distribution by job role and gender; competency sets and distribution of performance appraisals¹. Gathering workforce intelligence, however, is not synonymous with gathering market or competitor intelligence, with a number of similarities and differences existing.



¹ Further illustration is provided in 'Brave New HR World – Part I' Higgins, N.J., Journal of Applied Human Capital Management, 2007, Vol. 1 No. 1 pp. 64-71

Similarities

- Information gathered from the workforce should inform management decisions in the same way that information on competitors or the marketplace is utilised
- Information gathered from the workforce can be utilised to assess performance of particular actions relating to people, in the same way that market research is used to evaluate a new product
- Methods used to assess workforce intelligence should display at least the same amount of rigour and analysis as those used to assess market, user or competitor intelligence.

Differences

- Workforce surveys are not event-driven exercises but should be conducted on a frequent and regular basis (at least annually) to provide trend data
- The entirety of the workforce can be surveyed (unlike a market research exercise, which will aim to review a sample seen as representative for reasons of costs)
- The workforce should be expected to participate and provide responses
- All managers with people management responsibility should 'own' the findings of workforce intelligence: unlike a market or competitor research exercise, findings are not intended to inform a 'one-off exercise' or event.

Without an understanding of what constitutes effective workforce intelligence, however, it is unlikely that organisations will be able to design, deliver and evaluate surveys that provide maximum insight. Examples of the issues that this can cause include:

- Failure to identify an underlying survey model leading to an unbalanced survey design
- Use of insufficient or weak question constructs, i.e. question-statements are poorly designed
- Failure to analyse and present survey findings effectively.

Employee survey design – expertise squared

Organisations require expertise in two areas to be able to design, deliver and evaluate employee surveys that are true workforce intelligence instruments: Human capital management expertise and survey design expertise.

Assessing employee engagement is a more complex demand than simply measuring opinion

on certain potentially (un)connected matters, which has tended to be the norm carried out in industry. It is this aspect that also demands more understanding of factors of employee engagement and their relationships and how these relate to aspects of organisation performance in its different guises,

Traditionally, organisations have looked to measure aspects of satisfaction and similar which by themselves are not wrong. However, as has been commented upon, attempts to link satisfaction as a measure with productivity or performance has proved illusory.

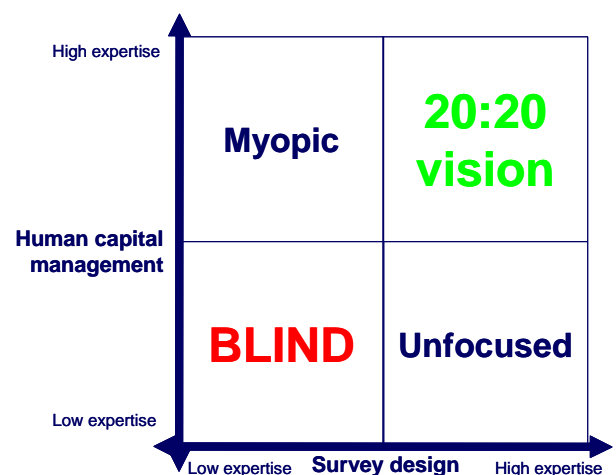
Secondly, constructs such as employee engagement require a good understanding of human capital management to engender a robust underlying framework, otherwise the subsequent analysis will be seen as irrelevant, or worse, lead to inappropriate action. Thirdly, employee surveys have tended to have a particular bias in terms of focus which can lead to a skewed 'people perspective' even though question-statements themselves may be valid.

On the other side of the coin, survey design, or more specifically question-statement design has often been overlooked to the detriment of the subsequent data collation.

Bad wording will mean that organisations will suffer from the 'garbage in-garbage out' syndrome rendering any insight to be extremely limited. The science behind this aspect of design is actually quite deep though care must be taken to balance requirements and acceptability with analytical argument. However, avoiding the more obvious flaws will pay dividends.

Our experience shows that organisations can occupy one of four quadrants when conducting employee surveys depending on the level of expertise used in the process, as shown in the diagram below.

Employee survey vision model



Reference:

- Blind:** *The organisation lacks expertise in survey design and in human capital management expertise.*
- Myopic:** *The organisation lacks expertise in survey design but possesses high human capital management expertise.*
- Unfocused:** *The organisation possesses high expertise in survey design but lacks human capital management expertise.*
- 20:20 vision:** *The organisation possesses expertise in survey design and in human capital management.*

Our broad experience of the market-place is that far too many organisations, unfortunately, occupy the bottom left-hand ('Blind') quadrant – i.e. very little useful intelligence is generated if it all from any employee survey exercise (in fact it can be negative). Given the level of 'organisational' understanding, even the use of external assistance does not necessarily guarantee any improvement.

Of the remaining, there appears to be an equal split between those occupying the 'myopic' and 'unfocused' spaces. Very few occupy the 20/20 vision box.

	Descriptors	Issues	Survey application
<p>BLIND</p> <p>Inadequate knowledge of people management and survey design</p>	<ul style="list-style-type: none"> The organisation lacks survey design expertise and human capital management expertise Survey contains invalid question constructs that undermine insight generation Survey contains questions covering a wide range of topics (e.g. customer, safety, benefits) with no underlying framework Survey likely to be long and increase in length over time as no rationale exists to discontinue questions Inappropriate scoring mechanisms utilised Insufficient evidence to develop clear actions 	<ul style="list-style-type: none"> High risk of wasted effort and resource Difficult to draw insight and meaningful conclusions from resulting data Difficult to action findings Credibility of survey instrument and sponsoring function undermined (with potential of degraded future response rates) 	<ul style="list-style-type: none"> Compliance at best Limited application for internal evaluation (often leading to a compensating focus on external benchmark data) Likely to be run infrequently (at best annual) with degraded ability to monitor trends over time Trend analysis not necessarily meaningful as based on invalid questions ('garbage in – garbage out')
<p>MYOPIC</p> <p>Sufficient knowledge of people management but undermined by inadequate question design</p>	<ul style="list-style-type: none"> The organisation lacks survey design expertise but possesses high human capital management expertise Survey focuses on topics relevant to human capital management although likely to be a selection of 'single-item' questions lacking an underlying framework Invalid questions and/or scoring mechanisms make insight difficult Insufficient evidence to develop clear actions 	<ul style="list-style-type: none"> Moderate risk of wasted effort and resource (e.g. in analysis) Difficult to draw insight and meaningful conclusions from resulting data Individual findings potentially provide insight, but lack of framework and validity of question design will undermine findings Credibility of survey instrument and sponsoring function undermined (with potential to restrict future response rates) 	<ul style="list-style-type: none"> Some application possible but likely to be based on individual questions rather than 'index scores' 'Hit and miss': some elements of survey may generate insight from human capital management perspective but it will not be clear which these are (short-sighted conclusions) Run annually at best, although trend analysis not necessarily meaningful as based on invalid questions
<p>UN-FOCUSED</p> <p>Insufficient knowledge of people management supported by adequate question design</p>	<ul style="list-style-type: none"> The organisation possesses high levels of survey design expertise but possesses low human capital management expertise Survey focuses on wide range of topics that do not clearly relate to human capital management actions and lack underlying construct Survey likely to be long and increase in length over time as no rationale exists to discontinue questions Well-worded questions and appropriate scoring scales lead to the potential for insight generation at individual question level Lack of focus on human capital management undermines insight from workforce intelligence perspective 	<ul style="list-style-type: none"> Moderate risk of wasted effort and resource (e.g. in HR involvement in actioning) Individual findings provide insight but will mislead if used to drive HR/HCM activity Survey does not contribute to HR expertise or professionalism 	<ul style="list-style-type: none"> Insufficient focus on human capital management makes this type of survey an internal 'customer research' exercise that is not appropriate for human capital management decisions Potential application in specialist areas (e.g. safety, perception of customer experience) Should not be owned or sponsored through the HR function as will result in inappropriate actions/ unclear mandate
<p>20:20 vision</p> <p>Sufficient knowledge of people management reinforced by adequate question design</p>	<ul style="list-style-type: none"> The organisation possesses high levels of survey design expertise and high human capital management expertise Survey contains valid question constructs that lead to appropriate insight generation Likely to utilise a robust underlying HCM framework, the survey focuses on aspects of people management that are measurable and actionable Focused survey structure and use of underlying construct maintains survey length over time, with use of 'core set' of questions plus specific questions for monitoring purposes Actions generated that inform human capital management practice, link to HR actions/ strategies and increase the standing of HR professionals from an evidence perspective 	<ul style="list-style-type: none"> Not applicable: survey design and focus on human capital management results in highly actionable outcomes with ongoing business case for organisational participation 	<ul style="list-style-type: none"> Workforce intelligence tool providing actionable insight into employee opinion relevant to engagement/ human capital management High application for trend analysis over time Targeted nature of survey (frequently with small number of core monitoring questions – e.g. 20) gives the potential to run survey twice a year or more frequently (quarterly) for ongoing trend development and analysis

Workforce intelligence: The six principles of best practice

In order to optimise organisational spend on employee surveys and position them central to any HR functional-organisational initiatives, a number of best practice principles should be adhered to (which relate to the Survey Design Expertise and Human Capital Management Expertise themes set out earlier).

Principle ONE:

Question-statement selection should be driven by a valid, robust human capital management model.

Arriving at a survey design that acts as an effective workforce intelligence instrument is unlikely to arise through chance. As we have identified, an understanding of human capital management is as essential as survey design expertise to yield a balanced survey providing relevant workforce insight.

HR professionals have not been well-served with the choice of instruments in the current market. A number have emanated from the market research industry. Though the question-statement design may be more robust as a result, the lack of understanding of human capital management perspectives and interaction is a handicap. Unfortunately, the lack of human capital management expertise, particularly around employee engagement within the HR function itself will not compensate for this.

One of the more evident manifestations of this is the preponderance of the 'pick-and-mix' approach adopted by organisations towards question-statement selection (but with no underlying framework), as opposed to the use of a core set of question-statements (with additional bespoke where appropriate with a developed underlying framework).

'Pick and mix' as an approach unfortunately suffers from:

- Limited or no underlying robust model of human capital management/employee engagement
- Limited or no control over what drives appropriate question-statement selection (apart from client priorities or 'whims') leading to 'inherent bias'
- Limited or no means of developing robust human-capital related insight
- Treat question-statements as 'single-item' constructs
- Reliance on question-by-question ('single-item') benchmarking without the more evaluative contextual question-to-question relationship and insight.

This is not to say that it is always inappropriate that organisations should select questions that are relevant to their current workforce intelligence priorities – indeed, benchmarking within the organisation can be a powerful means of identifying particular issues (e.g. values identification, perception of management capability etc.). The issue arises where an entire survey is constructed with individual question-statements, but with no underlying model. This can essentially lead to misguided decision-making and wasted resource.

This therefore raises the issue of external benchmarking which is also covered under Principle FIVE. It is quite common for organisations to select their own question-statements and then benchmark a set of these individually in terms of a 'normed database. On the surface this might seem ok (though the emphasis will have erroneously shifted to benchmarking 'tick-box' rather than people management effectiveness), but it raises some fundamental issues. If an organisation is able to select its own questions based on specific priorities, it is improbable that another organisation will have selected precisely the same questions, precisely the same number of questions and placed them in precisely the same sequence. This means that each organisation effectively has a 'bespoke' design.

Employee surveys are done at a specific point in time and are thus a 'proxy' for a general response in a certain time period. As much as each collective question-statement response is important, there is another dynamic at work which is the inter-relationships between the various question-statements at that point.

Thus benchmarking a single item question statement with a database full of other proxy data ignores the relationship between other question-statements given the contextual aspects of the organisation. The underlying issue is a straightforward one: if my survey asks a particular question in a particular context that is unique to my organisation, how is it possible for me to compare the scores my employees provide relative to how other employees in other organisations who have responded to this question in entirely different contexts?

This may seem insignificant to some. But consider the case of marking an everyday school exam paper in measurement terms. What we are effectively saying is that we can equally measure the same question even though it appears on different exam papers in different contexts taken at different times. This would be deemed inappropriate.

Thus, for example, if a responding organisation is facing restructuring/job losses and/or competitive threat, to what extent does comparing the external scores of a particular question-statement to database norms, in isolation, tell an organisation anything useful?²

We believe that there is an over-reliance on benchmarking in this way currently which limits the effect of using workforce intelligence. It also means that organisations are paying for overly-expensive and questionable customisation.

In comparison, the use of a balanced, multi-domain model driving employee engagement ensures that questions provide workforce intelligence insight that can be utilised to drive organisational decisions.

Only through ensuring that question-statements and their selection are linked to a robust employee model/framework can HR professionals ensure that their organisational surveys are capable of yielding actionable insight, without the risk of ineffective or misguided action. There is also the potential for organisations to reduce the redundancy of certain questions and thus length of the employee survey itself and thus reduce cost/investment.

Principle TWO:

Question-statement design should possess valid wording and avoid common type-errors.

No matter what the intent of the survey, considerable 'science' is required to ensure that the wording of particular question-statements, given the correct response scale will provide meaningful responses that allows for correct interpretation. The lack of effective design at the level of each question will seriously undermine the insight that can be derived from the survey, particularly where factor analysis, measurement or HR activity ensues.

From a marketing and social research perspective, considerable effort is typically invested in ensuring that questions are worded in such a way as to mitigate ambiguity in respondent interpretation, with an extensive bibliography in this area testifying to the importance of 'valid wording'.

In light of this, it is disappointing to see that employee surveys still display poor or inappropriate wording design.

To help with question-statement design, our methodology includes what we have identified as 14 distinct 'types' of wording issues to avoid. These are set out in the table below, with accompanying explanation.

² The question of intentional item ordering, randomness and multi-collinearity are relevant to this topic but require expanded discussion. These are treated within the forthcoming publication 'Employee engagement: a treatise for organisational application'.

Q-S RELIABILITY: TYPES TO AVOID		EXPLANATION AND EXAMPLES
i	<i>Leading (loaded) question-statements</i>	Question statements that 'lead' responses and thus bias; these force a respondent to consider a particular issue from a perspective that can lead to a misleading response. This type of insight is better suited to post-survey analysis, focus groups or as a conclusion from responses to more 'neutral' questions.
ii	<i>Double barrelled/multiple question-statements</i>	A question-statement which actually contains two questions thus rendering responses invalid through the fact that any answer actually has four interpretations. This type of question is actually quite common and contained within a number of market based instruments.
iii	<i>Knowledge or projection (proxy)</i>	In assessing individual opinion, questions that project as a proxy for others (conjecture) or ask about how somebody else feels or indeed ask about feelings rather than asking definitively, providing further vagueness of subjectivity of response. Proxy questions can be used but under special circumstances of evaluation.
iv	<i>Response extremity</i>	Questions which limit the response range and/or invalidate response interpretation. For example, use of superlative adjectives, such as 'excellent' or 'best' limit responses when using a Likert-response scale. It is very difficult to interpret or differentiate responses such as the opposites ' <i>I slightly agree</i> ' and ' <i>I slightly disagree</i> ' with the main statement. Also, it is not uncommon to see question-statements that effectively invite a yes/no (binary) response which induce a very limited response for analysis purposes.
v	<i>Responses open to social desirability and/or prestige</i>	Question-statements which focus on an individual, and or status/cause which induce a desirable response (notwithstanding the definitional issues contained therein). These often can be related to 'cause' based questions.
vi	<i>Responses implying causality</i>	Question-statements which imply causality should be avoided because of their underlying bias of response. Particularly skewed results will be derived. Causal interpretation is really what post-survey analysis is used for.
vii	<i>Questions that impose unwarranted assumptions</i>	These question-statements will imply bias in responses and lead to unclear or wrong conclusions when mixed with other survey data. Factor analysis can be particularly damaging. Given the implicit assumption, a respondent could validly disagree with this question for more than one reason, undermining the interpretation, or end-up being another example of a leading question.
viii	<i>Questions that include hidden contingencies</i>	These are where questions can only be answered by a particular subset of available population, i.e. questions that may refer to, for example, external customers and are not necessarily answerable by staff with internal customers only.
ix	<i>Questions that include ambiguous time periods</i>	Questions that assume uniformity across time in response which may be misrepresentative without a clear definition of the time period being specified. For example, asking whether something has taken place requires a frequency categorisation and is also subject to a binary (yes/no) response.
x	<i>Questions containing concepts that are open to differing interpretation</i>	These questions effectively confuse meaning and thus cause problems with response interpretation and reliability, i.e. questions containing buzzwords or phrases which have different/broad interpretations to respondents; for example, ' <i>making a positive difference</i> ' is another common example. Without clear definitions of 'positive' or 'difference' any response here will be of little value (notwithstanding other type issues).
xi	<i>Question that duplicates another or is a reverse of another</i>	The question itself may not be the issue but the duplication (or reverse duplication) may well distort any measurement index through double-counting or over-representation. This is particularly acute if the construction of indices and/or subsequent factor-based calculations are used. A 'reverse-pairing' can be used to ensure instrument validity but care needs to be taken in the above circumstances. 'Congruent pairing' is where questions are similar and then used in any subsequent factor analysis (but subject to multi-collinearity).
xii	<i>Questions requiring 'tendency to acquiesce' or imply 'psychological threat'</i>	Normally in-house surveys are most at risk. Acquiescence questions are those where a particular response is suggested by the question wording. It presupposes a positive response and is therefore of questionable value in terms of providing insight (notwithstanding any communications benefits intended).
xiii	<i>Questions that are exclusively positively or exclusively negatively clustered</i>	This issue is more to do with the design of the overall question set (which can lead to 'response contraction') which invoke potential response bias if care is not taken on question structure. For example, a series of similar questions relating to 'My manager' could lead to respondents providing similar responses without due consideration. However, survey instrument design will look to minimise for this rather than eradicate it entirely.
xiv	<i>Questions which are subject to issues of culturally loaded and or overly long</i>	(Similar to 'differing interpretation' in (x) above but more contextual rather than definitional).

Principle THREE:

Appropriate use of scoring scales and methods.

Together with properly designed question-statements, response scale and appropriateness is also of prime importance to avoid the ‘garbage in-garbage out’ syndrome. Common examples include: 5-point and 4-point Likert scale (though increasingly 7-point or 8-point are being seen). Also binary (Yes/no) questions are used though these are very limited for data analysis purposes.

Likert-type scales are typically preferred as they possess even intervals between response options (from strongly agree through to strongly disagree or equivalent). Contrast this with a ‘skewed’ scale such as “Excellent/Good/Fair/Poor”, which has three positive responses to only one negative response. The following table summarises typical advantages and disadvantages of these scales.

	Advantages
5 point Likert scale	<ul style="list-style-type: none"> • Even intervals between responses
4 point Likert scale	<ul style="list-style-type: none"> • Even intervals between responses • Forces positive or negative response, polarising attitudes
Other (e.g. 7 point scale or 8 point scale)	<ul style="list-style-type: none"> • Differentiates between respondents (with an even number forcing positive or negative responses)
Yes/No	<ul style="list-style-type: none"> • Forces positive or negative response, polarising attitudes

	Disadvantages
5 point Likert scale	<ul style="list-style-type: none"> • Tendency of respondents to ‘cluster’ towards the middle option, resulting in limited insight if this receives a large proportion of responses • Limited differentiation between forms of agreement/disagreement reducing level of insight • Not appropriate where question begs a ‘Yes/No’ response
4 point Likert scale	<ul style="list-style-type: none"> • May reduce response rate if respondents unwilling to decide (particularly with paper-based surveys) • Not appropriate where question begs a ‘Yes/No’ response
Other (e.g. 7 point scale or 8 point scale)	<ul style="list-style-type: none"> • Introduces greater ‘subjectivity’ into scale interpretation • Additional complexity can lead to respondent fatigue/drop-off • Additional complexity can lead to respondents identifying and repeating a preferred response (e.g. avoiding extremes)
Yes/No	<ul style="list-style-type: none"> • Limited insight, only appropriate for certain questions (including ‘extreme’ type wording)

The issue with scoring scales tends to relate to the appropriate matching of a question-statement with a scale, (irrespective of any ‘global’ decision on whether to ‘force’ responses through an even-numbered scale). It is not unusual to see surveys where the question-statement wording has not been matched effectively with the response scale.

It is quite common to see question-statement wording that fits with a ‘Yes/No’ (binary) type response, but is provided with a standard 5-point Likert scale which effectively distorts actual answers to the point of invalidity.

In practice, effective employee surveys will differentiate between the intended objective of questions and the scoring method in place. For example, core ‘engagement’ type questions will be answered with a standard 4 or 5 point Likert scale, with perhaps a specific question on a particular issue (e.g. customer experience) offering a ‘menu’ type response scale (‘tick all that apply’).

Principle FOUR:

Correct interpretation and analysis

This principle differs from the previous three through its relation to the output from a survey as opposed to the input. A further difference stems from the risk of organisational ‘over-investment’ in this area, as opposed to the typical approach to ‘under-investment’ in Design and Intelligence aspects.

There are a number of general flaws to avoid. These are:

- Failure to differentiate between two different types of survey research
- ‘Unbalanced’ thematic analysis
- Failure to contextualise employee survey findings
- Inappropriate index derivation
- Failure to plan for and utilise previous data
- External benchmarking (see Principle FIVE).

Failure to differentiate

A fundamental difference exists between conducting surveys as a means of carrying out a research exercise (such as factor analysis of collated data - finding inter-relationships, i.e. finding A correlates with B) and conducting surveys to gather measurement data utilising a pre-determined framework (a diagnostic ‘empirical’ approach that interprets and applies the resulting data and which may involve certain factor analysis itself). There is a danger that statistical debate can over-ride the means of providing evidence-based information. This is why a well-designed construct can minimise certain reliability and validity issues. It also means that

any market application introduced on the back of any one academic research exercise can be flawed.

Organisations should therefore be clear on why they are conducting an employee survey – for pure research purposes, or for empirical analysis which may subsequently involve further pure research purposes. This will typically drive how analysis is conducted and insights derived from the survey.

There is also potential to utilise ‘pulse surveys’ or similar to gather information on a more frequent basis or on specific issues or initiatives (too commonly combined within one overloaded survey exercise).

The diagnostic (‘empirical’) research, is primarily a means of monitoring performance against pre-established criteria and the prioritisation of improvement activities arising from this. From an organisational perspective on employee engagement, this approach yields greater insight into performance through its evaluation focus. Combining insight gained in this way with additional data (such as sales information, absenteeism or other relevant organisational metrics) through appropriate analytic approaches can yield considerable insight into human capital management practice and its link with employee performance. We note that this approach towards human capital analytics is not yet widely prevalent in the marketplace.

Unbalanced thematic analysis

‘Unbalanced’ thematic analysis is usually the result of a poorly balanced survey construct which may otherwise contain a valid question set. For example, taking employee engagement as the construct we commonly find that questions relating to values far outnumber those relating to reward which is likely to skew findings and particularly in any subsequent organisation actioning.

This unbalanced set also provides the same problem if a subsequent index is derived. This apparent confusion has led to organisations in some cases placing undue emphasis on statistical validity, confidence levels and correlations between scores, with reduced effort in interpreting workforce intelligence and applying it in a way that enhances employee engagement/performance.

This is not to imply that workforce intelligence allows organisations to disregard classical multivariate analysis or statistical approaches, simply that its objectives are not confined to proving that A is correlated with B. From a human capital management perspective, if responses to a survey show that two thirds of respondents do not align their personal values with what they perceive to be the organisation’s values, the data warrants further investigation, irrespective of the confidence level (a concept more relevant where it

is impractical to survey an entire population, such as in market research exercises).

Failure to contextualise employee survey findings

Failure to contextualise employee survey findings within broader evaluations of people management – as noted, workforce intelligence is key to obtaining actionable information, but other, specialist instruments (ideally that interface with or can incorporate employee survey findings) are required to develop a detailed understanding of human capital management in its entirety.

Inappropriate index definition

Inappropriate index definition is where a ‘cluster’ of question-statements is used without any supporting ‘science rationale’ and which provides an aggregated score into an index. Also, attempts to define or measure KPIs based on a small number of question-statements, in some circumstances we have come across just two items making up an index, is fraught with measurement issues, i.e. the reliability/volatility of the index and its relevance. If, of course, this is exacerbated should there be any existing flaws in question-statement design (as previously highlighted).

Failure to plan for and utilise previous data

Where an organisation has not placed sufficient weight on workforce intelligence and has conducted employee surveys sporadically or at intervals greater than say one year apart, the opportunity is very limited to gather longitudinal data and hence insight through trend analysis.

Essentially organisations have to carry out annual surveys supplemented by pulse surveys that are themselves driven by defined frequency or by organisational events. We believe that organisations have actually been misapplying employee surveys, using as ‘pulse’ surveys which would account for the particularly haphazard frequency with which these are carried out. Thus the potential to derive trend analysis is greatly reduced.

Principle FIVE:

The correct application of benchmarking

When is benchmarking not benchmarking?

External benchmarking of employee survey findings can provide a seductive appeal. Comparison can provide comfort by demonstrating that achieving a particular high score against a set peer group or a particular ‘low’ score is consistent with other organisations. Review against whatever is defined as a ‘sector norm’ can indicate out-performance in particular survey parameters. From a workforce intelligence perspective, however, benchmarking is unlikely to

yield human capital management insight, except in the circumstance where an exercise is carried out internally, across different populations in the same survey or across different time periods within the same organisation. This can yield time-series data or internal comparators to identify specific issues.

One of the more problematic forms of benchmarking is the 'question-by-question' approach, as highlighted in Principle ONE. Individual question comparison with 'benchmark database' information (external comparators) lacks the same insight. The reasons are not immediately obvious but stem from the general absence of human capital management models underpinning employee surveys, and the high reliance on 'pick and mix' approaches as previously identified.

This approach supposes that each question exists effectively 'in a vacuum', as a single item that is not influenced by the context for conducting a survey, events within the organisation or even the question's location and context within a given survey.

"There has been too much attention made of response rates and particularly given the strange question of 'what is world class?'. This is really a nonsensical question."

Conducting external benchmarking on an individual question basis therefore makes the assumption that different workforces will respond in a consistent way to the same question asked in different organisations, given different operating contexts. Of course, statistical techniques can provide sufficient defence. But statistics are not everything.

Accordingly, external comparison at the level of a single question is limited from the perspective of gaining workforce intelligence. Norming across a number of standard question-statements (e.g. through the construction of a well-constructed index of related concepts) can overcome some of these concerns through reduced reliance on one particular 'item', reducing volatility across responses to account for context.

It is not yet the standard, however, for surveys to incorporate 'standard' core question sets to facilitate such comparison, calling into question the power of external benchmarking at the level of the individual question-statement.

As a related comment on the implications of a 'single question-statement' focus, it is still frequent to find that organisations place undue emphasis on individual 'item' questions. This has a number of implications:

- Risk of missing 'bigger picture' themes and context through inappropriate focus
- Difficulty in feeding back survey findings at the question level unless similar questions are

clustered under themes, or index scores generated to avoid 'data overload'

- Disproportionate attention that may be of relevance in 'drill-down' or action planning, but can provide a misleading message to certain audiences when feeding back.

Principle SIX:

Achieving good response rates

When asking senior HR executives what is the crucial element to an employee survey invites an almost identical answer: 'Response rate'. We believe that this is actually an unhealthy focus given the entirety of the survey intelligence. A focus on response rates and how these compare with other organisations is not always appropriate. On its own, a response rate is simply a piece of data. Where an entire organisation (or business unit/department) is surveyed, a response rate greater 50% is desirable, as this suggests that a majority of staff have participated to provide a mandate for proposed actions.

From an applied perspective, as responses increase over 50%, the organisation has a clearer mandate for activity. Responses below 50% suggest underlying issues either with the conduct of the survey and how this has been communicated, or (in the case of employee attitude or engagement surveys) can provide additional perspective on overall attitude/engagement.

There has been too much attention made of response rates (notwithstanding the academic research on various 'environmental' factors) and particularly given the strange question of 'what is world class?' This is really a nonsensical question. The difference between getting a response rate of 80% as opposed to 95% is fairly meaningless particularly when you consider that certain organisations provide response incentivisation or apply covert cultural pressure to complete, (particularly where it may be done in house).

As already stated the key target is getting a majority representation i.e. 51% or more. Ideally, you would like a high response rate (say 4 in 5 or 80%) to provide you with a mandate for action but that is more to do with empirical comfort rather than any statistical interpretation. It is assumed that lower response rates is a sign of lesser employee engagement. That may or may not be true. One can certainly not assume that is the case due to the operating environments that people work in. Employee engagement may become more prominent if low response rates are

seen but an organisation receiving a response rate of less than 30% for an employee survey would also need to ask serious questions regarding the perceived impact of human capital management and the HR function's influence.

It is the case that review of response rates within the same organisation over time can provide a sense of trend progression, with a downward trend suggesting increased cynicism or a reduced perception that it is worth employees' time participating (suggesting limited action resulting from previous surveys or mismanaged expectation). Equally, comparison of responses across the populations within one survey can highlight areas of differing response.

From an external comparison perspective, however, organisations have means available to encourage high response rates: the risk is always that attempts at 'incentivisation' can lead to distortion. Examples of approaches that have been utilised but we would advise with caution include incentivising respondents through entry into a 'prize draw', or corporate charity contributions.

Though not the focus of this article, a number of ways in which organisations have seen increased rates over time are by:

- Having an identifiable 'brand' name in order that people can recognise
- Communicating ('signposting') in advance and doing so on a number of occasions
- Avoiding corporate diary clashes
- Ensuring that employees are set aside a specified time in the workday to complete
- Ensuring that line management involvement in the process is limited other than for communications purposes

But the biggest way of all for improving response rates rely on three absolutely core actions:

1. Communicating back in summary format to all and making information available (subject to confidentiality protocol)
2. Ensuring that actions are not only planned but implemented with regular communication bulletins even if it is narrowed down to one or two initiatives
3. Undertaking the survey at regular intervals, normally annually (backed-up with interim 'pulse' surveys where appropriate) without exception

Conclusions

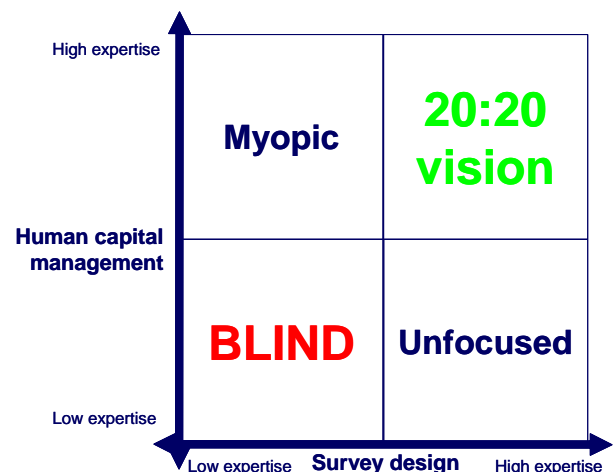
An employee survey, treated as workforce intelligence, should be core to the evidence gathered on people/organisation management and it should be primarily owned by the HR

function; providing it with a clear remit for managing the design, conduct and actioning of any employee surveying.

Through developing internal capability or utilising external capability in survey design and human capital management expertise, organisations will be able to derive significantly greater insight from any employee survey exercises.

Without either of these 'expertise areas' in place, the risk remains that effort and resource invested will result in a 'compliance-type' exercise that fails to benefit the organisation and does little to enhance the standing and professionalism of the HR function, the natural owners of any workforce intelligence exercise. Worse, badly designed surveys or insufficient understanding of human capital management can lead to misleading insight and/or misappropriate subsequent action.

We have provided a model that shows the potential outcomes for organisations ranging from survey 'blindness' through to 20/20 vision.



As a final comment we have drawn up a table that summarises the major differences between employee surveys as essentially 'tick-box' exercises and a survey as an effective workforce intelligence instrument.



Employee surveys as 'tick-box' exercises

- Organisations do it on an ad hoc basis or as 'one-off' intervention they can tick the box with
- Not treated as a core part of people performance,
- No underlying model – essentially random selection of 'pick and mix' questions
- Measure 'satisfaction' or similar, rather than engagement (no definition)
- No real discerning choice of HCM input specialism (as no value seen)
- Seen as peripheral to operations
- Organisation unaware of opportunities to integrate
- HR not seen as technically skilled
- Real danger of residing in the 'Blind', 'Myopic' or 'Unfocused' quadrants

Employee surveys as workforce intelligence instruments

- Done on an annual basis (with interim pulse surveys providing interim 'snapshots')
- Seen as core to management of people on ongoing basis
- Uses robust construct such as employee engagement (as defined) to provide framework
- Uses complimentary organisation engagement and other evaluations to provide organisational intelligence
- Has link to measurable HR strategy targets and/or execution
- Viewed as core input to the various contributing forms of organisation performance
- HR seen as technically skilled
- Most likely to occupy '20/20 vision' quadrant

By following the six principles identified above, organisations will be able to upgrade their internal approaches to ensure that any surveying of the workforce yields maximum insight whilst avoiding common pitfalls relating to design, conduct and analysis. More importantly, this insight makes a valuable contribution to improving organisation performance from the individual level up.



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