



Employee Surveys – Don't Throw The Baby Out With The Bathwater

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RETHINKING THE CURRENCY OF THE EMPLOYEE EXPERIENCE AS MEANINGFUL WORK & INTERNAL SERVICE FRUSTRATIONS

“The annual employment survey needs to be retired. The reason companies do these surveys...remains as important as ever. But workers don't like the surveys and often won't respond to them, and most companies don't do anything with the results anyway.”¹

So argues Wharton's Dr. Peter Cappelli in his August 3rd, Wall Street Journal C-Suite Strategies feature.

While Cappelli is spot on in suggesting that the traditional employee survey has increasingly deteriorated into a tick-the-HR-box, low ROI exercise, our work points to an alternative and more powerful solution for reinvigorating employee surveys: reframing the employee experience around the concepts of “meaningful work” and “internal service frustrations”.

THE ANNUAL EMPLOYEE SURVEY – INHERENTLY FLAWED OR POOR EXECUTION?

Cappelli contends that conventional employee surveys have generally outlived their usefulness and should be jettisoned for at least five principal reasons. And while each justification has some relative merit, we believe that the greater shortcomings of orthodox employee surveys have more to do with flawed execution and stale conceptual grounding than they do the intrinsic weaknesses of more formal, in-depth annual employee surveys. Perhaps a better approach to revitalizing employee surveys is to meet those distinct challenges head on rather than dismissing the “old way” of conducting employee surveys altogether. Consider Cappelli's chief criticisms of employee surveys:

1. Annual employee surveys are too long.

Cappelli argues that employee surveys often have too many questions to maintain respondent interest (which Cappelli suggests leads to the second weakness of low response rates from the overall employee base). We view this as a design issue that can be avoided through better science (*e.g.*, more emphasis on deriving key metrics to be included vs. set aside). As well, our experience with employee and customer surveys portends that poorly designed and uninteresting surveys (from the vantage point of employees) are more damaging to response rates than is the absolute length of the questionnaire (within a reasonable band of survey length, of course).

2. Employees either don't respond in sufficient numbers or fail to share honest feedback on an annual employee survey.

Cappelli contends that some employees either do not respond to employee surveys or aren't candid in sharing their feedback because they "know" the company can tag survey responses back to individuals. It is correct to note that poorly designed and executed internal surveys do indeed risk lower participation rates from employees who fear retribution for their honesty. Two considerations come to mind for assuaging this form of employee skepticism. First, tactically speaking, there are plenty of methodological avenues for conducting surveys that maintain anonymity (e.g., the use of internal controls or a third-party survey firm who can control snooping, ensuring that analysis never proceeds to a level of granularity that can permit identification of individuals). Second, where there is smoke, there's fire. When and if employees do not respond to a survey because they believe it will imperil their job, this reality is more a matter of the absence of trust in leadership than the survey methodology itself.

3. The results of an annual employee survey aren't representative of the broader employee population.

Cappelli asserts the numerous failings of the old-fashioned employee survey ultimately result in a response rate that is so low as to render the results unreliable. While it is generally true that a higher response rate connotes more trust in the results (both statistically and managerially), and the higher the response rate the better from a face validity perspective, a 50% response rate (the example of a low response rate cited by Cappelli) isn't a deathblow for the results of an annual employee survey (it depends on both the size of the employee population as well as the representativeness of the 50% who did respond). Regardless, well-designed surveys can yield response rates of 70% or greater if they are "authentic" and address the barriers to being able to do one's job – considerations like empowerment, a lack of critical information, and support from other departments.

4. The focus of the typical annual employee survey or the magnitude of the "fix" often preclude actions.

Cappelli suggests that oft times, leadership doesn't act on employee survey results because the problem is too big to fix or no one in the organization is accountable for the issue at hand. The burden of responsibility here lies with leadership creativity and follow-through. So, for example, using Cappelli's example, maybe the food in the cafeteria could not be fixed today due to the constraints of the existing contract, but it could certainly be renegotiated in the next contract (or what about bringing in food trucks now and then!).

5. Leadership rarely acts on the results of annual employee surveys.

Cappelli is absolutely right in his declaration that executives frequently ignore the most important step in any survey – taking action on the results. We have observed that senior leaders fail to act on survey results – whether they be related to employee or customer feedback – because the presentation of those results fails to capture their imagination and confidence (or as Cappelli notes, they aren't "interested"). Numbers in a vacuum – without a story that compels the cost of inaction – are not worth much to the C-suite. There are two design issues with which to contend here. First, the questionnaire design process should facilitate the use of items that are specific enough to be actionable, but broad enough to avoid an unnecessarily longer questionnaire. If the sentiments and focus of the survey questions are too general and abstract, then the results will be too broad to encourage action. Second, the organization must be intentional about securing buy-in to the overarching objective (action and change). We have found that when executives are pre-committed to addressing at least some of the problems in advance, action is more likely to ensue.

These considerations aside, Cappelli's alternatives to the annual employee survey – "a new approach" are not without their own baggage. For example:

1. Field pulse surveys that only ask about two or three things at a time.

Cappelli opines that pulse surveys – those two or three question pop-up style of surveys – are a legitimate substitute for conventional employee surveys. We have observed many a pulse survey that achieves a poor response rate and provides data so general and out of context as to be uninterpretable at best or dangerous at worst. And we're not so sure that the "death by papercut" approach to surveys (*i.e.*, fielding a routine drumbeat of two or three question surveys in virtual perpetuity) is a better solution. Finally, believe it or not, most companies are worse at integrating data from multiple surveys than they are at striving to act on survey results.

2. Analyze exit interview.

Cappelli considers the sentiments shared by employees in exit interviews to be a suitable source of information to fill the void left by abandoning employee surveys. While exit interviews may be useful for enriching an understanding of employee sentiment, they often suffer from the same challenges' endemic to employee surveys – the absence of action to address the issues raised. Spain and Groyberg (2016) found that "two-thirds of existing programs appear to be mostly

talk with little productive follow-up” and that it wasn’t unexpected to hear from those companies conducting exit interviews that “...exit interviews have a negative return on investment.”² Not to mention, exit interviews look into the rear view mirror and often miss identifying critical annoyance issues (*i.e.*, concerns that were aggravating but not the primary two or three things that led to the exit). For instance, while an employee might resign for a new job that pays \$1.50 more per hour more at another company, perhaps that pay increase would not have been very attractive if the employee felt recognized and saw a clear career path at the incumbent company. These important and contributing secondary weaknesses are often lost in perfunctory exit interviews.

3. Use tools like project management software to identify where the “bottlenecks” are.

Like the authors, Cappelli recommends companies not become overly reliant on survey results as their only source of feedback. Our work on Voice of the Customer (VoC) best practices tangibly demonstrates that companies that use and effectively integrate multiple sources of feedback achieve a notably higher return on investment for their VoC efforts. However, in this instance, while knowledge about any individual project management bottleneck can produce useful data, the impediments specific to any particular project are more likely to pertain to process improvements and may prove difficult to link directly to broader employee satisfaction, engagement or contentment. Conversely, using the employee survey platform we advocate, is more likely to expose organization-wide bottlenecks that create systemic employee dissatisfaction.

4. Monitor employee chat rooms and employee e-mails.

Cappelli asks – since most companies already monitor employee e-mail and are increasingly creating community chat facilities – why not create a systematic process for monitoring and reporting on the chatter about company policies and procedures? Although applying text analytics to employee chat rooms and e-mail exchanges might certainly produce some useful data, doesn’t this seem to be as great a violation of privacy as the lack of anonymity with regular employee surveys? Moreover, it is entirely likely that the representativeness of these data may be considerably more skewed than employee surveys (*e.g.*, are those who post on these channels the “typical” employee?).

A MORE HOLISTIC APPROACH TO EMPLOYEE EXPERIENCE INSIGHTS

The spirit of Dr. Cappelli’s crusade for a better methodology for garnering and acting on employee feedback is one we share. Like their kin (*e.g.*, customer surveys) employee surveys are sometimes misguided and often poorly executed. Ironically, when employee surveys do go wrong, they are – in many cases – either a predictable outcome of the insular culture from which they stem or a by-product of blindly implementing so called best practices.³

Based on our collective cross-industry work with leading companies in their quest to reinvent the traditional employee survey, we are increasingly convinced that organizations can get the highest return on their employee survey investment when it is hinged on three important principles: (1) people want meaningful work; (2) the internal service frustrations that employees contend with stimulate “grind”, devalue meaningful work and diminish the customer experience; and, (3) the ability to act on survey results rests on establishing a formal action planning process.

PEOPLE WANT MEANINGFUL WORK

Cappelli accurately states that neither employee happiness nor engagement effectively predict job performance. He could have gone further to point out that those measures also fail to reliably predict an employee’s intent to quit, as well as their intent to connect with customers (relevant for those of us in a service-related industry). A far more compelling approach includes measuring the opportunity for meaningful work and, perhaps more important, identifying those things which destroy it, which we term “grind.” Our studies show that, together, meaningful work and grind can predict over 65% of an employee’s intent to quit and their intent to engage with customers.

Meaningful work is operationalized as the realization of moments with distinct purpose that arise from the act of serving others, and which are beyond what an individual is compensated to produce. The defining characteristic of meaningfulness is that a person’s work makes a difference in someone’s life. Meaningful moments do not happen in rapid-fire succession, occurring instead on a less frequent, yet periodic basis. These moments add up over time and build to a felt sense that work is meaningful overall. Without that sense, work becomes the opposite...meaningless. Employee surveying is critical to determine how much opportunity exists for meaningful moments to occur and whether meaningful work is promoted generally by the corporate culture.

However, promoting meaningful work is not enough because there are opposing forces, collectively called “grind,” that destroy the meaning employees find in their jobs. Simply put, grind is the sum of all things that inhibit employees from doing their job, acting as a hindrance to easily and effectively helping others.

Grind is the leading cause of frustration, stress, and anxiety that arises from the very work employees are tasked with accomplishing. Identifying and eliminating grind is paramount to improving the employee experience.

INTERNAL SERVICE FRUSTRATIONS STIMULATE GRIND, DEVALUE MEANINGFUL WORK & DIMINISH BOTH THE EMPLOYEE AND CUSTOMER EXPERIENCE

If creating a culture and workplace grounded in meaningful work is the eventual destination, then perhaps it is the internal service frustrations employees grapple with on a day-to-day basis that represent the hazards and detours along the employee experience journey.

Internal service frustrations are the *aggravations that employees experience and feel while serving internal and external customers*. These frustrations stem from tacit and explicit institutional barriers that the company has erected in the form of imprudent policies and practices related to people, processes, and technology. Internal service frustrations devalue meaningful work, induce grind, and contribute to decreased customer satisfaction and loyalty.

The most effective employee surveys are designed to unearth and compel action to mitigate these frustrations. Our work suggests four considerations are especially important when incorporating an internal service frustrations perspective into the employee survey.

First, developing a credible aided list of possible internal service frustrations that may be experienced when serving internal and external customers is essential (sometimes referred to as "points of pain"). Presenting employees with a list of 50 to 70 frustrations (across the various company functions) and asking them to identify any and all hassles they have encountered (as well as their most important frustration) is a sure-fire method for gaining insights into the full range and relative importance of internal service frustrations. The list can be developed from interviews or focus groups with employees, as well as customer complaints about dealing with employees. Moreover, since handling an unhappy customer (internal or external) is among the more stressful interactions an employee can have, reviewing and responding to the list of frustrations presented on the survey can be intensely relevant and engaging for employees.

Second, if the survey results are to provide a well-rounded and actionable point of view regarding the employee experience, then a multifaceted set of metrics is imperative. As we have noted prior, fielding multiple stand-alone pulse surveys – each focused on a different domain of the employee experience – may not be the best answer. Instead, we advocate for the use of a single, integrated employee survey that examines the natural and weighty interactions between perceptions

of meaningful work and grind, internal service frustrations, the service culture of the organization and key outcome metrics (*e.g.*, overall employee satisfaction and loyalty, engagement). Designed correctly, a unified survey such as this can be completed in less than 10 minutes and provides a panoramic view of how to transform the employee experience.

Third, one of the more effectual means of engaging leadership and earning their commitment to eradicating frustrations is to cast and prioritize employee hassle factors in terms of their impact on customers, the amount of time that they waste and the severity of damage they cause to employee loyalty (or engagement). This form of calibrating and prioritizing frustrations is powerful in the C-suite and relatively simple to do (by adding in a no more than three additional questions regarding the employee's most important frustration). Imagine the stark difference between a business case for change that rests on listing the top 10 employee frustrations and a presentation of employee frustrations that are associated with thousands of hours of wasted time.

Finally, while there is no substitute for a formal and intentional action planning process we describe below, it is vital that senior leadership pre-commit to taking action. Management must accept that there will always be some bad news and heavy lifting. Some of the greatest progress we've seen in engineering a better employee experience has occurred in companies which were top ranked in quality and service because the CEO said, "We're the leader, but what in that last 6% can we fix?"

We have found that attacking the barriers that impede employees' ability to deliver service (to whomever is their customer, whether internal or external) provides very actionable data. Moreover, there are at least two added benefits to adapting the employee survey to pinpoint internal service frustrations.

First, these data regarding employee frustrations often map directly to the customer experience. We typically observe a 50% to 70% overlap between the service frustrations called out by employees and the disappointments expressed by customers. As a result, the identification and mitigation of internal service hassles can create a "win-win-win" for the company, customers, and employees, respectively.

Second, if "success" here – framed as an ability to locate and eliminate frustrations – is paired with an employee recognition effort, there is some evidence that employees will respond favorably. Zak's (2017) research⁴, has shown that when employees have flexibility in executing processes (which can be tagged to using their input from the internal service frustrations survey to drive flexibility and change) and they receive ongoing recognition for their excellence,

they have higher oxytocin levels in the brain and higher agreement levels with the statement, "I look forward to coming to work each day."

SURVEY RESULTS DON'T TAKE ACTION – LEADERS DO

It's one thing to field a survey and gain insights into the employee experience. It's an entirely different matter to act on those results.

In his treatise on the impotence so many companies experience when grappling with employee survey results, Cappelli rightly notes the mode response of leadership to most employee surveys ranges from overt denial to indifference.

Our work with market leaders on their employee and customer surveys corroborates this seemingly natural tendency toward inaction; taking action on survey results is more the exception than the rule. Even among companies that tick all of the technical best practices boxes for increasing survey impact, many still fail in their attempt to positively influence the employee and customer experience because they lack a process to connect the dots between the survey findings and operational accountability. Intentionally operationalizing meaningful changes in business practices is a compulsory event that we commonly refer to as action planning. While the survey locus – as employee or customer – may differ, the process of taking action is the same.

Assuming that the ultimate goal of any survey is to contribute to a positive, incremental, and sustainable improvement (in the employee or customer), action planning is the magic elixir to bring about this outcome. It is the antidote to complacency. As we define it, action planning is the intentional and ongoing process of identifying, operationalizing, and implementing specific actions that affect enough employees or customers, over a long enough period of time, to increase positive ratings for those selected elements of the employee or customer experience that yield the greatest payoff.

Tactically, action planning consists of a formal, face-to-face or virtual gathering of a cross-functional group of key stakeholders (as few as eight and as many as 50) engaged in a day-long facilitated session focused on three to five priorities for action that have been identified by the survey. Strategically, action planning is an ideation effort; it is the connective tissue between the survey findings/recommendations and the change in organizational behaviors. The various methodologies for implementing this facilitated event are plentiful (*e.g.*, brainstorming techniques, visualization practices, etc.).

Regardless of the methodologies used, the critical point is to ensure that an action planning effort is in place and process metrics are identified to track progress. CCMC finds that action planning dramatically increases the ROI that companies

can earn for their survey investments by ensuring that they focus finite resources on - and act on - what matters most to employees and customers. When compared against companies that do not implement a formal action planning process, companies that engage in formal action planning are significantly more likely to achieve sustainable increases in key outcome measures (*e.g.*, employee engagement, customer satisfaction and loyalty), achieve those notable gains more quickly and at a lower cost, and ensure that the survey results are integrated into the culture of the organization.

SUMMARY:

While conventional employee surveys have earned well deserved cynicism, we believe that companies should pursue alternative approaches that have been demonstrated to be successful rather than throwing out the whole baby with the bathwater. Concentrating employee surveys around the concept of meaningful work and internal service frustrations, and pairing that perspective with intentional action, offers corporate leaders a lifeline to transforming the employee (and customer) experience.

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FOOTNOTES

¹ Cappelli, P. (2020, August 8). It's Time To Get Rid Of Employee Surveys. The Wall Street Journal.

² The 1976 "more than \$100" financial loss figure corrected for inflation is more than \$400 today.

³ Best practices are only optimized when they are tailored to the unique needs and culture of the organization. All too often, companies simply lift and drop practices into their business that don't quite fit their distinct circumstances.

⁴ Paul Zak, "The Neuro-Science of Trust", Harvard Business Review, , Cambridge, MA, January, 2017