Improving on a Good Idea from Employee Survey to Measurecom[tm]

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As a professor of organization studies, I have been trained in the fine art of doing employee surveys, not for the purpose of assessing the organization to implement change programs, but for the purpose of conducting research. And, over the last 10 years, as I conducted surveys for research and worked with many human resource professionals who spent considerable amounts of dollars and energy going through the annual ritual of surveys, I have learned two lessons. The first is that organizations find surveys painful, and the second is that from a scientific viewpoint, they do not provide accurate data for decision-making.

As someone who spent my career trying to help human resource executives improve their own skills and be more actively involved in major business decisions, my conclusions were quite alarming. I say, "alarming" because my discovery means that human resource professionals are providing executive teams with inaccurate data to use in decision-making. With all the talk about human resource executives being "strategic and at the table," it's obvious that their careers are in jeopardy if they arrive at the table with inaccurate data.

Learning the problems associated with surveys, however, was not enough. And probably due to the fact that I teach and do research on human resource management (HRM) issues in entrepreneurial firms (which means I am constantly involved with entrepreneurial firms), I decided to be entrepreneurial myself and invent something new. Four years ago I embarked on a journey that led to my discovering a new way to collect data and to the formation of a new company. Using the latest web-based technology and making the process as simple as possible, the team at eePulse[tm] has been able to create a new management tool that overcomes the problems associated with traditional, lengthy, and painful employee surveys.

In this article I first make the case against annual employee surveys. I then compare what we know about data collection in production and finance to the human resource process and show there is significant room for change. After that, I introduce the management tool that I, and others at eePulse, Inc. have developed.

THE CASE AGAINST TRADITIONAL EMPLOYEE SURVEYS

First, let me say that throughout my career, I have extensively used employee surveys for research purposes. So, I do not come into this discussion without having been personally involved in the process. Additionally, I worked in the human resource profession for ten years before obtaining my Ph.D. and since then have done consulting, teaching, and research in the field of HRM. So, I make the case with full knowledge of the field, not only from an academic perspective but from being in an involved business role.

How do surveys normally work? Let me review the typical process, although I recognize there are many variations. An organization heeds the call to include "humans" as one metric for assessing the health of their business. Either the firm has a long tradition of doing its own survey, or the organization puts out a request for proposal to hire a consulting firm to do a survey. The choices are endless. Consultants do surveys; academics will conduct a survey, and software firms are now in the business. The human resource professional must decide which firm to choose as a vendor, and with that decision what questions to ask, how the survey will be delivered, and how feedback will be provided. Additionally, the organization may contract at this point in time for follow-up services. Most organizations expect something to be broken, and in many cases, the company doing the survey will also provide a service for fixing the broken "thing."

The survey process can begin with a series of meetings, or it can simply be mailed out to employees. In most cases, surveys are still being done via the traditional paper and pencil process. And, in many firms, the surveys are sent to the home of the employee (to assure adequate time and confidentiality in completing the survey). In some cases, employees are brought into meetings and asked to complete surveys (this provides the highest response rate, not necessarily the most honest responses). The paper survey process can take up to six months to complete, particularly if the firm is global and complex. Some organizations are choosing to use alternative technologies to collect their surveys. There are a multitude of web-based surveys, e-mail surveys, and telephone surveys that are being used today.

The result is that data are collected. Surveys are anonymous, although there is usually enough descriptive data to allow results to be aggregated for subgroups within the organization (e.g. department reports, reports by gender or age category, etc. can be generated). Managers are provided with reports for their groups, and in most cases, they are chartered with the job of "doing something." In firms that have a history of doing surveys, the current year's results are compared to those of the prior year. Resources are spent on interventions (e.g. new compensation plans, management training, etc.) to help raise scores. The company hopes that it has "fixed" its problems.

Now, here's what really happens.

From the employee perspective:

- Employee fills out the survey – maybe.
- Employee wonders why these questions are asked and not others.
- Employee feels that data go into a black hole.
- Employee is even more cynical than when he or she started.

From the manager perspective:

- Manager has no confidence in the data. Who answered? Was it his or her high performers, or those whiny employees?
- What does a 3.5 mean anyway?
- Manager thinks the survey is a waste of time, unless of course his or her department improved its scores.

From the CEO perspective:

- This is nice, but tell me what to do.
- Which managers are not performing?
- How much did this cost?

From the human resource professional perspective:

- If the HR executive is well informed from other sources, he or she can usually use the data to promote an agenda that really does drive the firm forward.
- It didn't work; let's get a new vendor next year.
- If he or she is relying on the data (rather than other sources), the HR executive is taking a big career risk in making decisions based on the survey results. Why?

From the scientist's perspective (that's me):

In most cases, survey results are received months after the survey was conducted. If you are a high growth or high change company, the results are too old to take seriously.
The data are anonymous. You cannot cut the data by performance category. A high quality data collection process should allow you to "cut" the data in a way that excludes those employees who may be in the process of being "coached out" of the organization. This is critical if you use the data for balanced score card or any type of methods that ties employee satisfaction scores with manager bonuses.

Point-in-time data are useless for understanding trends. I recently conducted a survey with an organization and was able to present the results as point-in-time data and again as within-person data. The firm had engaged in a merger between survey administrations. When I used the point-in-time data (I simply presented the mean for time 1 and for time 2) on 'satisfaction with company culture," it looked like the numbers had increased. But then I put up slide #2, which showed the within-person analysis. The results of this analysis showed that satisfaction had dramatically decreased. People who had been with the firm from time 1 to time 2 were not doing well, and that was critical information for implementing change.

Unfortunately, employee surveys are behind the times. We know that flow data or change data are used for understanding finance, accounting, and production. Doing a point-in-time survey (even if it's quarterly) is like going out to the manufacturing plant, taking a reading on all the machinery, averaging the data, (and in most cases presenting it to the management team between 2 and 6 months later), and then saying "let's make important business decisions based on these data." Or, it's like opening up the checkbook, reporting the cash balance, and seriously thinking you can make a business decision with that data. Total quality management initiatives have emphasized that you do not respond to every change. Control parameters are set, and the company strives for optimization of trend data.

The result: employee survey data are inaccurate. If you make business decisions based on these data, you have a very high chance of making bad decisions.

I have one last scientific observation to share. There are two different ways to approach science, and those two are generally framed as (1) the deductive method, or (2) the inductive method. The employee survey process (at least in every company that I have studied) is done based only on a deductive model. In the deductive model, we assume a theory prior to doing the survey; we then write questions associated with the key variables in our theory (usually of firm performance), and next we collect data. Under an inductive paradigm (which I argue is critical for understanding today's changing work force and work world), one does not make assumptions about what's important. A researcher is open to what subjects say. We tend to follow a deductive paradigm in doing employee surveys, in part, due to the dominance of industrial / organization psychologists in the field. They have been trained in the deductive method, where they assume what questions to ask based on theory. But today's work world is fast paced, different, and new. I do not suggest throwing out the deductive paradigm, but to help organizations obtain more accurate and timely data, I think that you must use both deductive and inductive processes.

A NEW APPROACH – BIRTHED FROM RESEARCH

Frustrated with current survey methods, I tried something new about four years ago. I was conducting a study of one firm going through an initial public offering process. I did not want to collect data before the IPO and then after. And I had to admit, that because no one had ever studied the IPO process, I could not assume that I knew what questions to ask. Granted, I could have suggested many things based on theory, but I REALLY wanted to know what employees thought, and I did not want to constrain my data to my own pre-conceived notions of what's important during an IPO. At the same time, as a scientist, I did have some ideas about what to study. So, I compromised. I used e-mail to deliver a weekly communication message to all employees in the firm. The message consisted of one somewhat traditional question, with a 1 to 10 response scale. And I asked the employees for open-ended comments on anything that affected their work environment. Lastly, I knew that to involve employees for over 3 months, they needed something back right away. So, I wrote back to employees. I showed them that their comments were valued and important by engaging them in a conversation and by passing on critical issues to the CEO of the firm. The CEO supported the process, and he responded to key issues in a timely way.

The construct that I measured using only one question (it continues to be used by eePulse, Inc.) reflects the degree to which people are 'energized' by their jobs[1]. Based on the work I had done to date, I concluded that being happy (e.g. job satisfaction) was not the key for high performance, but being energized by one's job was critical. In a number of studies, including some with university students, I found that energy levels predicted employee performance (e.g. turnover, performance appraisal scores, and student test scores). But, it was not the data reported at one point in time that mattered. It was the within-person variance over time that predicted individual performance. Thus, the one question that used empirical data was valid. But I found it was the open-ended comments that brought the data alive (thus, using both deductive and inductive paradigms provided the most valuable understanding).

The CEO at the firm where I conducted the study asked me to report to him monthly on critical issues that I found in the data. I did so, and he responded immediately to employees about those issues (to the entire employee population on 'big picture' issues that were identified). According to the CEO, firm performance increased because of the weekly communication.

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[1] This work is based on protection motivation theory and published in Welbourne, T.M. (1995). Fear: The misunderstood component in organizational transformation. Human Resource Planning 18(1), 30-37.

The CEO found the process to be a new and useful management tool, and he asked me to continue. Within a few months, we received some publicity on the process (an article in the Wall Street Journal), and other businesses asked me to use the process with them (all communicated a sincere and deeply felt frustration with their current employee survey). Since that initial study, the concept has been refined, and the service is now delivered by eePulse, Inc. (incorporated in 1996). I am the founder and CEO of that organization. All of our lessons learned are being incorporated into the continual refinement of the process that we are delivering to high growth and high change organizations. We send e-mail based messages to all employees on Thursday. The tool is delivered via the Internet; thus eePulse™ is an application service provider, meaning that clients do not have to purchase software, and none of the data are stored on the client's own server (guaranteeing confidentiality to all participants). The data are collected, employee responses are delivered, and managers are provided with reports by the following Wednesday. If managers have follow-up questions, they can be added to the following week's communication. Monthly or quarterly additional questions can easily be added. Although we (at the eePulse™ office) have been responding directly to employee communications (asking for follow-up data, coaching when needed), our web-based product allows human resource (HR) professionals (or CEOs) to respond to employees, while maintaining anonymity and confidentiality for all participants.

Our new tool has significant implications for the ability of HR professionals to help employees at very early stages (when they are not ready to walk into someone's office but need help), to work with managers on 'real time' issues, and to come to the "table" with accurate and timely data in hand. And the process is easy to do; it takes each employee two minutes to complete the e-mail message. The process becomes part of the firm's weekly routine, rather than being seen as the monstrous invasion associated with traditional annual surveys. And the data are analyzed as within-person data. Managers are provided with control charts, and they understand when action is needed and not needed. Data can be cut by high vs. "not as high" performance categories.

We continue to claim that the process we invented is not a survey. In fact, one of our frustrations as a new business has been communicating this new tool without using the "survey" word. As of today, the company is eePulse™ and the product is eePulse™, but we call our unique process "Measurecom.™" We use technology to combine measurement and communications, and the result is real-time accurate data combined with instantaneous employee communications. People are not machines, and when you measure them, they are affected by the process. Our system recognizes that, and by permitting someone to respond to employees the day they complete the survey, employee communications are enhanced.

Additionally, using our system, there's something immediately "in it" for the employee. In the web-based version of the eePulse™ tool, employees can immediately go to a web page that shows them their own personal survey results (longitudinal) compared to that of the overall company and their own department. For some groups, we provide comparisons with others in their occupation across firms.

A TOOL FOR REAL LEARNING ORGANIZATIONS

As someone who is a researcher, I find the lessons learned from our data very exciting. We have worked with four organizations that went through mergers. We have weekly data on employee responses to those major changes, and we share that data with clients to help them understand best practices. We have worked with companies going through IPOs, experiencing changes in management, altering their compensation systems, and a number of other organizational changes. Additionally, we have helped individual employees understand the implications of their own trend data on their work performance and careers. The eePulse™ team does not do add-on consulting or offer services to "fix" the problems we find. We have determined that type of work is not part of our business model. Our fear is that we would tend to over diagnose the problems that we know how to solve. Instead, we provide a management tool that allows managers (who we think are capable of making good business decisions) to add people data to their portfolio of data (financial, sales, research, production, etc.) in order to make better business decisions. And, if they do implement a change program (with or without a consulting firm), our tool permits early and real-time assessment of the process. Instead of finding out something is not working well after implementation (which is the normal process), teams can adjust throughout as necessary. Early and accurate data lead to higher success rates.

A WAY TO REDUCE TURNOVER, ANGER, AND LAWSUITS

As I noted earlier, the data we collect predicts turnover. That means HR professionals are alerted when someone is on the brink of leaving, and via the communication ability of the eePulse™ system, HR can start an intervention and keep a needed employee. The HR professionals on-line screen does not have information identifying the individual employee, but the eePulse™ team does have the complete employee profile and can assist the HR professional in best practices for responding to employees.

We know that we have been able to intervene early and stop several sexual harassment problems before they escalated. eePulse™ provides an early warning sign, and because the communication mode is low key, employees respond earlier. In today's work world, where anger seems to be perpetuating the work place, eePulse™ provides a unique early communication strategy for the proactive organization. As we continue to work with human resource professionals and professors in a number of fields (the business is well integrated into the research and academic communities), we are refining the response strategy to help HR professionals learn and grow.

TAKING A GOOD IDEA AND MAKING IT BETTER

I started out criticizing employee surveys, but I must end by saying that the intention behind doing surveys is valid. Companies are desperate today to keep high quality employees and to assess their performance on the 'human' side of business. Surveys are a good idea, but in their current form, I argue that they are a waste of resources. Benchmarking or comparing your firm's results to those of the competition may be a fun exercise, but when both firms have useless data, what's the purpose?

I hope that human resource professionals and CEOs continue to realize that people are key for long-term firm success, but the current employee survey processes being used are inadequate for high change or high growth firms. If your firm is "standing still" and not changing, then a traditional survey may work. But, for the types of firms that I study and work with (high growth and high change), I know that traditional employee surveys are a waste of time, energy, and resources (not only cash but time). The firm that I started (eePulse™) has invented a new process that I hope will make the HR professionals a real part of the senior team by coming to the table with "real" data that are actionable. The process, done weekly, builds trust with employees and can be imbedded into any organization's process. Using eePulse™ is part of an ongoing process to link ***e***mployees with their ***e***mployers. And it is part of my personal challenge as a business professor to link what I learn from doing academic research with real business. The business and process we use at eePulse™ is the result of over 15 years of research on high growth and high change firms. It is my goal that the unique merging of research in real-world companies will result in even better insights and tools over the next few years.