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Employer's Advantage

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COMPETING FOR TALENT: CREATING A WORK CLIMATE THROUGH EMPLOYEE SURVEYS TO ATTRACT, MOTIVATE AND RETAIN HIGH PERFORMING EMPLOYEES

Introduction

Unprecedented changes have characterized business and industry in the United States over the past two decades. The workplace today is a much different place than it was back in the 1970s.

Organizations in the 1970s more closely resembled those of the early post-war era than they resemble today's modern pre-millennial organization. Hierarchical, command-and-control, paternalistic, employment-for-life cultures still dominated the business world. Employers were still sweetening the employee benefits pot with new prescription drug and vision care programs, while often footing the bill for health care premiums for an employee's entire family. Reliability and stability were the corporate watchwords.

However, in the late 1970s things began to change. Double-digit inflation followed by the early 1980s economic upheaval shook many businesses at their foundations, driving employee pay up substantially. CEOs began to take on superstar status with the introduction of the "million dollar" pay packages. Technology became PC driven, as the old mainframe computer yielded to the personal computer and network servers. A new generation of technical professionals began to flourish. Everything was getting faster. Competition became fiercer worldwide.

Mergers and acquisitions not only across geographic lines but also

across traditional industries further blurred a picture that was relatively clear only a few years before. Deregulation caused tremendous upheaval.

Late in the decade of the 1980s and into the first years of the 1990s, global recession created the "lean and mean" concept. The business world and the workforce experienced the harsh reality of corporate downsizing. At first this affected only lower levels of organizations, but eventually it also affected middle management and above. For those that were left, known as survivors, the pressure to perform increased.

Along with these cost control efforts, amidst skyrocketing health care costs, came the corporate retreat from fully-paid employee health care benefits and the introduction of newer systems such as HMOs and Managed Care.

In the early 1980s the Japanese took center stage in the increasingly global economy, beginning a brief interest in Japanese management style that has cooled recently along with that country's economic standing.

However, during those years and since, leaders continue to look to employee climate surveys and management theory as keys to improving performance. And so the search for excellence has taken corporate America through the total quality movement, the employee empowerment movement, the re-engineering movement, the performance-based teams movement and all orders of change efforts, some well-grounded in sound business practice.

continued



Over the past two decades we have seen manufacturing and manufacturing jobs moving outside the United States, where the cost of labor is less expensive. In some part, service organizations -- particularly those who depend on intellectual capital -- have filled this void, creating new needs not only for IT professionals, but also scientists, engineers and other knowledge workers.

Constant among these management approaches is the increased utilization of employee surveys and the realization that in the end the engine that drives an organization's success is its people. A good strategy poorly executed is less useful than a mediocre strategy successfully implemented. Most efforts today are spent trying to harness the power of that engine and get the most from an organization's people.

Guidelines for a Successful Survey

The majority of large corporations today conduct employee opinion surveys. Although the survey may result in a sudden boost in morale, it is all too often a temporary one. Both employees and managers are at times disappointed in the survey's failure to bring about any real improvements.

The Importance of Management Commitment

When management makes the decision to administer an opinion survey, it is entering into an implicit contract with employees. Any breach of this contract on management's part can have a serious impact on morale, performance and any future attempts to get employees to open up. In most cases employees do not expect management to take actions that are not cost-effective or that would seriously hamper productivity. What is expected is a legitimate attempt to fully explain the results of the survey and to take constructive steps where possible to eliminate -- or at least mitigate -- the conditions

or circumstances that are causing discontent.

The HR executive can play a vital role in obtaining commitment from company executives. Management commitment must include the following:

- A willingness to believe survey results.
- A promise to share the results of the survey -- no matter how negative -- fully with employees.
- A willingness to take action based on legitimate complaints.
- A willingness to explain to employees why certain changes cannot be made (or why they cannot be instituted immediately) and a commitment to make all possible changes as quickly as possible.

The commitment and involvement of key company executives is extremely vital to the success of any opinion survey. Top management support lends credibility to the entire survey



effort and their behavior is likely to be reflected in that of managers, supervisors and employees at each level of the company.

An important step to ensure this commitment is to make sure that all members of top management are aware of the kinds of information the survey will provide.

The Importance of Timing

Timing is one aspect of the survey that must be controlled. It must be considered in two separate contexts: the availability of the respondents and the organizational climate. In terms of the organizational climate, a "good time" to administer the survey may be difficult to pinpoint. Here are some examples of what might

contribute to an adverse organizational climate:

- Employees are preoccupied by a current problem or negative event. This event will naturally color employees' perceptions of their job security and the company's future.
- A major organizational change is about to occur or has just taken place. In the first situation, employees may feel their responses to the survey had something to do with the major change that followed.

The Importance of Confidentiality

Generally most employees approach a survey somewhat apprehensively; especially when they know that management will be looking carefully at the results. This is why maintaining confidentiality is one of the most important ground rules for success. There is often some confusion between "confidentiality" and "anonymity" of survey responses. Confidentiality means that the questionnaires will only be seen by authorized persons and that the identity of individual respondents will be closely guarded. Anonymity means that employees do not have to sign their names to the completed questionnaires. Both confidentiality and anonymity are necessary issues to discuss with top management.

Establishing A Policy Statement

If a company plans to make opinion surveys a regular part of the company's communications program, a formal policy governing the program administration and use is necessary.

A policy statement is traditionally defined as "a guide to action and decision-making under a given set of circumstances that assures consistency and fairness within the framework of corporate objectives and management philosophy."



An effective policy statement should do the following:

- It lends credibility to the survey process. When managers know that a formal policy on opinion surveys has been established and that surveys will be used on a regular basis to measure morale and job satisfaction, they will no longer be tempted to minimize the process.
- It sets forth survey procedures. While a good policy statement should not attempt to relate in detail every step in the survey process, it should outline certain basic procedures governing how the survey will be administered and how the results will be utilized.
- It underscores management commitment. If opinion surveys are important enough to merit a formal policy statement, this will reinforce management's support of the survey process.

Trends in Survey Content

During the past 20 years, employee attitude and opinion surveys traditionally have covered such basic areas as job satisfaction, supervision, compensation and benefits, career opportunities, tools and equipment, physical working conditions, etc. Today, these



measures of how employees feel about their job, their company and their management continue to be essential components of most employee surveys. But a new category of inquiry has become just as important.

Today's employee surveys are being used to further business and performance objectives and to identify any barriers to organizational performance (or organizational change) efforts. Topics now frequently included in employee surveys are:

- Business Strategy and Direction. Questions in this area might deal with the understanding and clarity of business direction and the effectiveness of its implementation.

- Goal Alignment. Here, management might probe to discover employees' level of awareness of broader organization goals and objectives, understanding of departmental goals and objectives and ability to see a direct line between their own objectives and performance and goals of their organization.

- Customer Focus and Satisfaction. Questions often ask employees whether they and/or their organizations understand customer requirements, what they view as the level of customer satisfaction (employees' responses are often matched with actual customer survey results) and if they perceive that their company is genuinely committed to customer satisfaction. In addition, many staff and support functions (IT, human resources, purchasing, legal, etc.) seek internal customer feedback through surveying internal "users" views of the quality and responsiveness of the support they provide.

- Employee Retention and Attrition. In a number of companies, a survey item is included that asks employees about their plans for the future, whether they plan to stay with their company or leave. Statistical analysis of the response to this item and other survey questions provides understanding of the factors impacting employee attrition and retention. While the analysis of retention intentions of current employees can be quite useful, another recommended approach is to conduct a separate survey of employees who recently left the company voluntarily to learn the actual reasons for their decision to leave. This provides more reliable data than the traditional company-conducted "exit interview." Many former employees, who may have been

hesitant to be open and candid in an exit interview, are more forthcoming in an anonymous survey conducted a few weeks later.

- Inclusion/Qualify of Life. Other topics covered in many recent employee surveys are inclusion (or diversity) and work and personal life issues. Questions in this area may deal with the full utilization of increasingly diverse work forces and work-family issues such as being able to balance one's work and personal life, the flexibility the company provides for personal or family requirements and assistance provided for working parents.

Assessing Human Resources Priorities and Performance

An area under extreme scrutiny today is the human resources department, which increasingly is being asked to demonstrate its value to the organization. To do this, HR departments must determine which of their services are most important, how well and efficiently they are being delivered, how service can be improved and how funds can be spent appropriately.

Conclusion

Findings and Implications

The Changing U.S. Workplace

Employees' positive perceptions about a number of areas of work and the workplace have risen over the years. In keeping with new management thinking that emphasizes employee involvement, we have seen increasingly favorable ratings from employees on having their ideas adopted and put to use. Both companies and immediate supervisors receive higher ratings today on their encouragement of suggestions from employees. We also have seen better ratings on employees' attitudes about the authority they have to do their jobs.

The increasing emphasis on performance inspired by growing competition apparently has left its mark on the workplace. Employee ratings of the company's insistence on high quality work and



continued the fairness of their performance evaluations system have both risen. Likewise, the recent push

toward teamwork and teams has certainly contributed to higher ratings in the area of cooperation between departments. But, perhaps interfering with the emphasis on teamwork, there has been a growing pressure to perform and an increasing workload which all too often creates tension between individuals and groups.

However, employees are less positive today on a number of key items. Overall, perhaps in response to the increased pressures in today's competitive environment, employees are less favorable about their company as a place to work. In the wake of the era of downsizing and the instability in the workplace from mergers and acquisitions, employees are more concerned about their job security. Ironically, in the midst of our information age, employees are less favorable about the credibility of the information they receive, though the absolute favorable rating index still is relatively high on average at more than 70 percent.

Coming off earlier years of double digit inflation and subsequent double digit salary increases, three to four percent salary increases have contributed to a decline in employee satisfaction with pay. The huge amounts of pay garnered by those at the very top of the company quite likely contributes to declining perceptions of pay.

Another critical area in decline, according to employee attitude data, is opportunity for advancement. With flatter organizations and baby boomers still clogging the path and the outsourcing of tasks and functions previously housed within the organization, many companies are finding it difficult to create

real career paths for their strong performers.

Changing of Employee Opinions

Historically, managers' attitudes are generally more favorable than the attitudes of lower level groups (professional/technical, clerical/hourly). But recent events have created some exceptions. For instance, recent drops in middle managers' estimation of how long they will remain with the company put their ratings on this item about even with those of lower level employees. Ratings of the quality of the company's products and services, training, having enough employees to do the job, understanding of current job responsibilities and benefits are about the same across all employee groups.

Middle managers' ratings of their job security, in decline over the years and particularly down in the 1995-1997 period now is no higher than other groups in the database. However, given the recent demand for professional and technical employees, this group stands out as the one with the most short-term attrition potential-- rating their likelihood to remain with their company some 7-10 points lower than all other groups. Professional/technical employees' ratings also fall well below all others in key areas related to turnover, such as opportunity for advancement and pay.



Apparently the move to empowerment has not been fully realized at lower levels. Considerably less favorable ratings are coming from clerical and hourly employees on items such as opportunity to do interesting and challenging work and authority to make decisions. Hourly workers are least favorable on items such as physical working conditions, safety, quality of equipment and credibility of information. Of perhaps greater concern is this group's apparent feeling of "second-class citizenship." Their ratings are

lower than others on fairness of their treatment, recognition, their supervisors' ability to solve "people" problems.

Across all job levels, employees are most favorable about their jobs, the kind of work they do, and somewhat less favorable about their company as a place to work. Ratings are relatively high on the company's ability to compete and the quality of its products and services, but lower on the leadership of top management.

Employees feel that they understand how their performance is judged, but are less favorable on other performance-enabling items such as training and the level at which decisions are made.

Attitudes about immediate supervisors are mixed, with the highest ratings given on supervisors' knowledge of their job, respectful treatment and willingness to listen. Rated lowest: supervisors' ability to solve "people" problems and to counsel employees on their careers.

Items concerning how the company deals with employees, particularly issues of fairness and reward, all get moderate to low ratings, with the exception of benefits, which gets respectable marks.

S t r a t e g i e s


Employee's responses to a question on "how long are you likely to remain with the company" differentiate those committed to remain with the company from those planning to leave. We have found that despite the common wisdom that feelings about job security and high workload lead people out the door; there is virtually no difference in the ratings on these items given by the committed group and the group that says it is likely to leave.

Although many people finding new jobs in the current tight labor market do report receiving higher pay, pay is not one of the top three or four distinguishing factors between the groups, though it is important.

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In the information technology field, the supply of qualified people falling short of demand is a problem. Surveys of IT professionals who left their jobs in the last year found that the key drivers of turnover for this group were the work itself, compensations, career opportunities, opportunity to stay current on new technologies and their supervision and leadership. For female IT professionals, work/family issues played a major role in their decision to change jobs.

Is Top Management In Touch?
 As expected, top management is much more favorable on almost every survey item than the rest of the employee population. Their view of the world is significantly different on items that include having enough authority to do their job, having a chance to have ideas adopted and having a chance to learn new skills. These obviously are areas in which management, by definition, is positioned to have it better than most.



WORDS OF WISDOM

“Volunteer nothing, but listen to everything. If you accumulate enough gossip, it becomes information and enough information can reveal the truth.”
 ~Robert L. Genua

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AutomotiveHR e-Learning Academy

Initiating Succession Plan

Total Items: 6 **Total Time:** 15 hour(s)

Realistically, you don't expect your current staff to remain static forever. In light of the changing office landscape, it is important to plan for eventual employee departures. Some of your staff possess information that is integral to your business. You need to ensure that this information remains in your organization. This is the basis of succession planning. Every plan must incorporate an ongoing, dynamic process of systematically identifying, assessing, and developing leadership and talent for continual business success. This series of courses identifies the fundamental processes involved in establishing a succession plan. You will learn about the skills needed to set an effective plan in motion, from both a strategic and interpersonal standpoint. You will also learn the management techniques that allow you to implement and maintain a succession plan that is specific to your organization's needs.

Series includes:

Succession Planning Overview	2.0 Hour(s)	LEAD0301
Succession Planning Strategies	4.5 Hour(s)	LEAD0302
Succession Planning and Human Resources	5.0 Hour(s)	LEAD0303
Succession Planning Management	2.5 Hour(s)	LEAD0304
Initiating a Succession Plan	.5 Hour(s)	LEAD0300
Implementing a Succession Plan Simulation	.5 Hour(s)	LEAD030S

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A Few Good Lines

In the movie “A Few Good Men,” Tom Cruise’s Lt. Daniel Kaffee and Harry Caesar as Luther the News Stand Guy have an on-going battle to spout the best (or worst) cliché. These scenes resonated with some of us because we suffer from cliché overload—we’ve heard too many clichés, too many times.

I realize that clichés are Clichés because more often than not they are true. However it still bugs me when people take the lazy way out and spout off tired phrases to explain a situation.

*“It’s not what you know,
It’s who you know.”*

I’ve heard this phrase at least a thousand times from marketers, salespeople, parents who want more playing time for their kids, people who aren’t as successful as they want to be and I’m sure a bunch of other groups that I’ve forgotten While this cliché is partially true, it only tells half the story.

Yes, who you know and who you surround yourself with will ultimately shape you and your successes. But, you have a tremendous impact on ‘who you know.’

Relationships don’t just happen. They are created by an intentional investment of time and effort.

I’m sure some of you are thinking: “Yeah, right. So and so got the promotion because he knew so and so...” There are indeed

examples of situations where something like this has occurred. They fall under the ‘Life Ain’t Fair’ cliché.

For every one of those situations, there are many relationships built by savvy people who understand investing in others is never a waste of time.

As you strive to build meaningful relationships, first try to understand yourself and figure out what you are looking to achieve. If your goals are self serving, be ready to develop a bunch of superficial and nearly meaningless associations. However, if you set out to genuinely understand the people you interact with, you could build long lasting and rewarding relationships.



Like most things, it’s simpler in theory than in practice. The tried and true basics include focusing on others to meet their needs, clarifying expectations, showing personal integrity and making the relationship mutually beneficial.

Make the intentional investment and develop meaningful relationships that lead to success. And, always remember what Jo (Demi Moore) told Lt. Kaffee...wear matching socks.

*~ David Mastovich, President
Massolutions*

Pleasure in the job puts perfection in the work.

– Aristotle, Greek philosopher