

# Organizational Sustainability and Employee Surveys

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Wondering if there's a correlation between the two? Before coming to a conclusion, let's take a closer look at the information that's been emerging from workplace research over the past decade. Research findings from around the world suggest a much clearer link between the causes of employee satisfaction or dissatisfaction and the profitability and sustainability of business organizations.

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As reported by Rebecca Clay in the September 2015 issue of the APA Monitor, more than 550 researchers, practitioners and others from 26 countries participated in an international conference (May 2015) convened by the American Psychological Association (APA), the National Institute for Occupational Safety and Health (NIOSH), and the Society for Occupational Health Psychology. The theme for this 11<sup>th</sup> International Conference on Occupational Stress and Health was titled "Sustainable Work, Sustainable Health, Sustainable Organizations".

"We lack a real understanding of the bottom line costs to organizations and society of stressful working conditions," reports Steven L. Sauter, Ph.D. who co-chaired the first 10 "Work, Health and Stress" Conferences and serves as a consultant to NIOSH. Sauter believes that for business organizations, "sustainability can also mean not squandering human resources" (1).

Workplace interventions intended in part to increase productivity often fail because they don't have a lasting impact, according to Christine Ipsen, Ph.D., (Dept. of Management Engineering, and Technical University of Denmark-Lyngby). Dr. Ipsen believes a lack of communication is what causes the interventions to be unsustainable. She believes sharing information in systematic, structured ways can increase employees' commitment to interventions. Consequently, says Ipsen, the most effective interventions can be achieved by making managers and employees aware of the problems and keeping an eye on progress afterward (1). Ipsen's research unveiled the importance of knowledge-sharing in developing organizational interventions which are sustainable and have enduring results.

As a final note on the research presented at the symposium, Andrew Noblet, Ph.D., a professor of management at Deakin University in Australia, emphasized the importance of two-way communication in sustaining workplace interventions (1).

Citing the relatively rarer frequency of bottom-up communication in hierarchical organizations with centralized decision making, Noblet's researchers used interviews, focus groups and surveys with junior members to assess what was causing workplace stress. The reluctance (due to apprehension about superiors' reaction) and inability or lack of opportunity to voice their concerns to superiors was found to be the prime contributor.

This brings us to the matter of employee surveys.

## Employee Surveys

In use for almost a century, employee and personnel surveys intending to gather salient information about attitudes and behavior began with industrial companies in the 1920s and dramatically increased in the years surrounding the end of WWII (2). In the period between 1944 and 1947, there was a 250% increase in the number of companies conducting surveys according to the National Industrial Advisory Board (2). Also, during those years, Soldier Surveys were conducted on over half a million soldiers by the research branch of the US Army to obtain wide-ranging information about attitudes and behaviors considered important to morale and soldier effectiveness (3). The literature suggests present-day employee surveys are used by an estimated 50 to 75% of companies (4, 5). Typically, participation is voluntary and responses are confidential in the sense that they do not identify the individual – although demographic groups may be considered in the aggregate. Some of the techniques used to gather survey information may include: structured or directed interviews; open-ended, unstructured interviews allowing the respondent to move the conversation into a direction they considered important; paper and pencil; or electronic administration (via links or websites).

Present day  
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estimated 50  
to 75% of  
companies



In order to be effective in obtaining accurate information, present-day surveys need to be thoughtfully constructed to elicit the information pertinent to the questions the surveyor is attempting to answer. Often answered anonymously, these surveys initiated by organizational leadership typically seek to answer questions related to an extremely varied number of issues including employee satisfaction, morale, retention factors, employee engagement, high performance practices, and management or leadership effectiveness. If the information obtained is pertinent and effectively used, significant insight can be gained into the changes that need to be made to operate more effectively with a higher level of productivity and satisfaction in the workforce.

Of course, the information that can be obtained from individual employees about their true concerns can be useful in a number of ways. Some of the more obvious ones would include organizational and workflow problems, disruptive or otherwise inappropriate management styles or practices, and employee coaching objectives, whether for strategic or remedial purposes. In whatever manner or for whatever purpose the information is obtained, the next necessary step is the sharing of information and an agreement on how to move forward with an intervention. The manner and form of whatever intervention is made should be determined by the desired outcome to be achieved.

### A Few Current Concerns and Uses for Employee Surveys:

Fairly obvious is the need and advisability of using employee surveys to obtain information critical to remaining competitive and current in the rapidly changing nature of business and the world of work.

PricewaterhouseCoopers (PwC) has done extensive research in the employment and talent arenas. This information provides much valuable data to those deciding on the critical issues before constructing their own employee survey. Some of the more interesting pieces of research include:

In PwC's 2015 "Trends in the Workforce" article (6), they report that "...For the first time, results for PwC's Annual CEO survey show that 34% of U.S. CEOs are 'extremely concerned' about the availability of key skills."

In PwC's 2015 look at the "employee-engagement landscape" (7), they found that "the intent to stay has remained fairly consistent (74% in 2013 and 73% in 2015)". Significantly, however, they found that these employees were "less motivated to look elsewhere" but that they also "create a headwind against achieving business goals more so than those who look to leave."

A 2015 SHRM Report found that retaining talent, engaging employees, and providing strong benefits/compensation are the biggest challenges for HR professionals and C-suite executives. (8)

Sorenson and Garman reported in the June, 2013 Gallup Business Journal (9) that lack of employee engagement leads to \$450 to \$550 billion in lost productivity across the U.S. per year.

This issue of engagement and some of its possible consequences will be mentioned again later in considering "A Case or Two in Point".

A recently published online survey (conducted between Jan. 27<sup>th</sup> and Feb. 5<sup>th</sup> of 2017 by Edelman Research and supported by the Rockefeller Foundation) examined many different aspects of the entry level hiring process (10). Three interesting findings were uncovered:

Asked what their organization did to help entry-level employees stay in their jobs, 33% of the HR Professionals who work at large companies (N=101 with 2500+ employees) reported Flextime (start-stop hours) with some range of hours periodically, yet 85% of recent college graduates (N=501) considered this "strongly" or "somewhat" important to staying on their jobs.

In this same study, 97% of recent college graduates (N=501) "strongly" or "somewhat" consider Work-Life Balance to be a benefit important to staying on their job.

Furthermore, this same study reports that 97% of recent college graduates (N=501) consider a respectful and fair manager "strongly" or "somewhat" important to staying on their job. This is an important finding.

The list goes on. There's a veritable gold mine of not only useful—but quite essential—information available through the thoughtful use of employee surveys.

## Snapshot of Data

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ADP Research Institute showed that lack of employee engagement leads to \$450 to \$550 billion in lost productivity

Edelman Research identifies three workplace features important to employee retention

- Flextime
- Work-Life Balance
- Respectful and Fair Manager

## CareerCurve's

### 2016 Exit Interview Survey reported:

#### **Leadership/Management** **Company Culture**

were identified as having significant impact on an employee's perception of their previous employer.

*"the top metric for evaluating the success of entry-level employees is how well the employee fits with company culture"*

-Edelman

## CareerCurve

In April of 2016, in response to inquiries and client company requests for help in identifying some of the more salient factors influencing employee turnover rate and retention, CareerCurve began an investigation into gathering employee data to try to answer these questions. The project began with a comprehensive review of current literature and progressed with the aid of an exit interview, the most frequently used tool for identifying factors related to the "employee experience". While exit surveys are the primary source of data for discerning why employees leave, most companies do not also interview current employees for why they stay, according to CareerCurve's Vice President, Ray Blush.

Historically, exit interviews were conducted to identify the salient workplace factors surrounding work satisfaction. Ostensibly, the primary concern had to do with identifying factors that would enhance retention of valued employees, or serve to increase the probability of recruiting A-list talent. Workplace changes occurring as a result of globalization, the rapid attrition of baby-boomers over the past 20 years, as well the changes in social norms and lifestyle options have significantly changed the playing field. Where at one time a good salary and benefit package held great importance in retaining or recruiting key employees, today's changes in circumstances and attitudes have created a very different picture.

A 2014 LinkedIn survey found that "85% of the workforce (up from 80% in 2012) is either actively looking for a job or open to talking with recruiters about relevant opportunities; even the ones who were 'satisfied' with their jobs."

CareerCurve's research into the subject of turnover found that the mean per employee cost of turnover in four industries studied was approximately \$13,000. In those same four industries, the total cumulative cost of turnover was slightly above \$3 billion dollars (BLS, Saratoga Institute and Kepner-Tragoe, Inc.).

To establish a background, CareerCurve's client companies were contacted to see if they used employee surveys in general and exit interviews in particular. In addition, companies providing 3<sup>rd</sup> party exit interviews were reviewed to determine how they conducted their surveys and the general format of their inquiries. Based on the information gathered by this effort, Career Curve subsequently developed and administered a 13-question exit interview (N=449) using "Survey Monkey" to gather information that might shed light on the employee turnover/retention issue. Data was collected via email surveys from CareerCurve's candidates and the pool included data from ten different industries. Response rate (26.5%) was fairly typical for this type of approach.

There were a few surprises in the survey responses. Contrary to often held notions that better paying jobs and strong benefit packages are frequent reasons for seeking new employment, only 3.75% cited Compensation as a factor contributing to their reason for leaving their previous employer. Another unexpected result in this similar vein included Lack of Career Opportunities as a contributing factor in

only a 7.5% of the respondents. Particular items of interest were the interpersonal factors of Co-Worker or Boss Relationship, which combined were reported by 11.25% of the respondents. Viewing cultural issues collectively, Change in Company Leadership, Company Culture and Department Issues (Unspecified) were reported as the reason for leaving their previous employer by 32.5% of the respondents. Respondents were free to cite key contributing factors rather than being confined to just one, so when those reporting “layoff” were factored out of the data, a better

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sense of employee sentiment began to emerge. Company Leadership was cited by 57% of the departed employees as something they either liked most or least about their previous employer. Company Leadership/Management was cited by 37% as a liked most/liked least aspect. This seems to support a piece of the Edelman Institute research that found “the top metric for evaluating the success of entry-level employees is how well the employee fits with company culture.”

Once again, not only *useful* information, but *essential* information for recruitment, employee morale/satisfaction and retention—and, hence, sustainability.

Rather than contradicting—and clearly not negating—the available body of information about the validity and usefulness of the data cited by these other sources, CareerCurve’s endeavor instead underscores the notion that employee surveys can provide unanticipated, yet data-rich sources of information useful in a variety of different ways: information about culture, interpersonal factors, team structure and dynamics, leadership impact, and effectiveness and extrinsic rewards to name but a few. What comes out of CareerCurve’s response to their clients’ request is that employee surveys, whether for exit or any other data, need to be carefully thought out with a plan for the specific information that would be most valuable to extract. The problems faced by the organization, the particular employee variables that would be most useful in developing and attaining strategic objectives, the compatibility between the leadership and those they lead are all critically important pieces of information. By carefully designing the surveys to gather pertinent information and by deciding on the specific manner in which the feedback is to be analyzed, information essential to more effectively directing resources can be uncovered as well. This useful information can guide the organization in positioning the fulcrum at precisely the correct spot for where they find themselves in their organization’s life cycle. With careful thought beforehand, the optimal balance between achieving business objectives and maximizing the contributions of human capital can be realized.

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Points for concern found in the literature (sometimes seemingly contradictory, but more often likely describing the same issue from a different perspective) suggest that an off-the-shelf survey can provide a good solid foundation for understanding some of the broader considerations influencing an organization’s effectiveness. But sometimes, a unique twist can provide information essential to identifying and removing a roadblock to organizational progress.

## A Case or Two in Point

A number of years ago, a rather large international automotive-related manufacturing firm in Southeast Michigan commissioned a plant-wide employee survey to try to determine why it couldn't get the desired traction, despite a seemingly strong direction established by the new leadership team. Sales were increasing, yet profits were decreasing and there were quality issues and recurring problems with failing to meet deadlines. The company was in its third iteration and had experienced three name changes on the building within the previous decade. With each change in ownership, a new leadership team took the helm and implemented a "new and better" direction which was "this time the correct one," to no avail. In the course of gathering information about the degree to which the employees believed they could make a difference, it was decided to review the non-leadership data by seniority, rather than as an aggregate. Remarkably, and very illuminating, a clear and very distinct line of demarcation was found between those who had been with the organization 6 years or less, and those who had been with the organization 6 years or more. Those who had been with the organization for more than six years had their ideas and suggestions on how to better accomplish the work almost categorically rejected because they were part of the "old guard". The intellectual capital of those possessing the "tribal knowledge" (on how to be "successful") was being left on the floor of the plant in favor of the new leadership team's ideas on how things should operate. As expected, there was a lack of integration within Manufacturing operations, but also confusion about how to proceed in Engineering and Quality. In line with the new Leadership Team's directives, Sales was operating with a 90-day financial horizon, and in the course of trying to increase the top line, promised customers labor-intensive products whose orders were then delivered to an organization having too many employees dancing to the tunes of different drummers. Predictably, sales increased; profits decreased.

When considering the information learned from Rebecca Clay's article in the APA Monitor, the Rockefeller Foundation supported Edelman Research, and CareerCurve's exit survey investigation, another opportunity for using employee information to enhance organizational sustainability is in the area of coaching. In each of the reports from these three prime sources of information, the superior/organizational-employee disconnect seems to be far more indicative of employee satisfaction than the compensation-benefits variable often thought to be a cardinal component in employee retention. Presuming a fairly robust pre-employment assessment and interview process has minimized the risk of a "mis-hire", most coaching issues that identify the employee as the one with "the problem" may be missing the point taught in Plato's Allegory of the Cave. What often appears as the "real" issue is actually the shadow being cast by an organizational issue that hasn't been identified, addressed, or both. Anecdotally -- not surprisingly, in the practice of psychotherapy -- the term "identified patient" is the designation given to the individual first being referred and having contact with the therapist. Once the "system" in which the individual functions (family, school, social, work, etc.) is identified and examined, it fairly quickly becomes obvious that there are dynamics involved that go well beyond the individual showing up ostensibly to be analyzed and "helped" with their "problem."

This same process often holds true with an individual believed to be in need of some type of coaching. It's a rather unfortunate occurrence that coaching is viewed as a process (an "intervention") necessary to correct some type of problem with an employee the organization would like to keep – but views as having something in need of correction. In many cases, the issue in question is a result of the interaction between the individual employee and the stakeholders setting expectations for the employee's role in the organization. The nature of the interaction and the quality of communication

between the coaching candidate and the stakeholders in his or her work world are crucial. This is what enables us to address any issues and maximize performance.

This is very normal and it's all about communicating pertinent information. The range of normal is far wider than what most of us have been led to believe. These are normal issues for the world of work in which we now live.

We need to view obtaining pertinent information and sharing it - two-way communication - as a very desirable opportunity to impact individual and organizational growth and "sustainability". Capitalizing on this opportunity seems to be a rather wise course of action. Indeed.

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