Employees Are NOT Customers

If you want to understand what they need, you have to listen differently.

You've heard the expression—*when you're a hammer, everything looks like a nail.* It's not just a clever phrase. As human beings, anytime we expend the energy it takes to finely hone a set of skills, there is a natural tendency to overgeneralize with these skills. This simple truth, combined with the best intentions, has much too frequently limited the impact of employee survey processes, especially when it comes to employee engagement surveys. In this white paper, we will examine the commonly held assumption that the same survey science and techniques that can lead to valuable discoveries about customers, consumers, or even constituents and voters, can be equally valuable when applied to employees. In fact, we will go even further and demonstrate how this assumption can result in misleading and inaccurate results and recommendations regarding employee engagement.

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Here is the overgeneralization that many, otherwise highly qualified individuals, tend to make when it comes to employee research:

Once you get good at doing surveys, just keep doing the same thing, even when the population surveyed and the purpose of the survey changes. Or more precisely, *solid survey science applies equally to identifying the wants, needs, perceptions, intentions, and reactions of groups of people across most all situations.*

The problem is, it's simply not true. The reason it's not true is:

Buyers behave, commit, expect and decide differently than sellers. Or ever more specifically:

People who are buying a product or service focus on entirely different factors then they do when they are selling their services to their company.

An example of a fairly typical scenario when you are studying buyers might look like the following. If a packaged goods company puts a new shampoo on the market and they want to know how the product is being received so they can anticipate future demand, they frequently start by surveying current users. They include in their questions things like: Did the shampoo get their hair clean? Did they like the way it made their hair feel? Was the price fair and competitive? Was the packaging convenient? And were the ads appropriate? As a consumer, I can give perfect scores with respect to all those issues but, here's the point—if I don't like the way the shampoo smells—I'm not buying any more of it.

And what's more, even if I love the way it smells but am dissatisfied with any of the other aspects listed above, I'm still a shopper, not a predictable customer. When consumers spend their hard-earned money on a product or service, they absolutely want to get as much as they can for their money. They want it all. And if they don't get it, they're likely to keep trying other options that they think might deliver. That's what's in our nature. And sometimes, it's not even that complicated. Maybe, you didn't even have to do a customer survey. Maybe you could have been steered in the exact same direction by just doing a couple of focus groups. Sometimes, the solution is pretty straight forward. Just ask and listen. Compare this to doing research on people who are being paid for delivering services to their employer. First, employees already understand this situation is called work for a reason. It's not called play. It's not called fun. They understand from the very beginning that, if they want to get that paycheck, they have to make some sacrifices.

But it's much bigger than that. If employees want to have a career that they are proud of, leaves them with a sense of gratification and achievement, and provides them with recognition and definition, then they know they have to give up many other options in life. They know they can't have it all. They know they have to set priorities and rule out some options. In the real world of work, they will even tolerate a little inconvenience or even frustration in one area if they are finding fulfillment in other areas that are important to them. To build a great workforce, you don't have to be perfect in everything.

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When it comes to the science of survey research, this simple truth changes everything. In fact, it turns the science on its head. Let's look at four factors that back this up.

Just Asking Questions Doesn't Always Get the Answers You Need

The new and innovative technologies for gathering and reporting survey data are truly amazing. Among the many features that make some of these emerging new technologies so inviting is the ability to automate the analysis and categorization of open-ended comments. Just ask employees what they like and what they don't like, or what they want to change and what they want more of. And like magic, the information is at your fingertips. How cool is that? As it turns out, not always that cool.

Here's the truth. Just asking employees questions about their preferences will produce answers, but it won't give you the information you need to determine the path forward to build a great workforce. If you want to learn this lesson for yourself, go read the open-ended comments from your last survey. If your employees are like many, you will notice that some of the things that they want the most, will NOT build a stronger, more secure future for your company and for the jobs that your employees depend on. In fact, some of the information can undermine future success and security.

Here's are three examples of factors that are frequently revealed as weaknesses or problems through the analysis of open-ended comments or importance ratings: *fairness, compensation, and work-life balance*. After all, who doesn't want to be treated fairly, make more money, and pursue quality time with family, and feel less stress? But here's the problem:

*Never, **in the entire history of human enterprise, has a company risen to greatness by treating everyone the same, increasing payroll as a percent of revenue, and lowering expectations to reduce stress.***

Three examples of factors that are frequently revealed as weaknesses or problems:

① Fairness   ② Compensation   ③ Work-life balance

To drive home the point, let's examine fairness, compensation, and work-life balance closer.

First, the issue with fairness. Among employees, there are contradictory and mutually exclusive definitions of *fairness*. For the majority of employees, it usually means treating everyone the same. But then there is an important minority. This minority is made of the most productive employees in the company, and they normally have a very different definition of fairness. For them, fairness usually means that the ones who do the most, should get the most. It could be money, recognition, or opportunities. But for this group, it's only fair when the rewards are based on performance.

Which definition of fairness leads to a more effective workforce? Which group do you want to satisfy? You can't please both with one definition of *fairness*. If you respond to the understanding of *fairness* held by the majority of your employees, you risk making your workforce worse, not better, and less productive, not more.

What about compensation? It comes in many forms, but let's focus on pay and benefits. The spontaneous opinions about compensation expressed by most employees are dominated by one primary sensitivity—*the grass is always greener somewhere else*. There is always an example of a company that pays better or someone with a better deal. In other words, it's never enough. And a majority of employees have their personal stories that prove it, at least to themselves. If you want to know if your compensation packages are good enough,

stay focused on performance and do a market study. If you *just* ask employees and act on what you hear, you could go broke.

To be clear, compensation is critical, and we need to get it right. It can be the major factor in retention. However, it is hardly ever a major factor in determining how motivated and engaged employees are moment by moment as they decide how hard to prepare for an important meeting or how far they will go to win back a disgruntled customer or how determined they are to answer the phone before the third ring. These types of behaviors are influenced much more by other factors, and fortunately, those factors aren't nearly as expensive to address.

Now, for one of my personal favorites: *work-life balance*. The popular press loves it. But I can say with great confidence that it is completely misunderstood and frequently the cause of overreaction. Don't get angry with me just yet. I'm certainly not saying that it's never a problem. Sweat shops do exist in many different forms, employees can be taken advantage of, and at certain stages of life, especially for parents of young children, the obligations of work, even in a job they love, can produce high levels of negative stress and guilt. Even though work-life balance can be a big problem in certain situations, relying on the data from millions of surveys, I can still prove the case that work-life balance is almost never the key to creating a highly engaged and productive workforce. It can be a source of *disengagement*, but it is never the root cause of really strong *engagement*.

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Allow me to illustrate with a common and real-life comparison. I have personally conducted or supervised many dozens of employee survey processes where, for example, recognition was identified as one of the strongest drivers of overall engagement. Therefore, recognition was a factor most likely to focus on to move the needle on engagement. This research finding frequently led to an action planning process that focused on providing more meaningful recognition. This focus resulted in significant improvement in engagement on the next survey. Yet, in reviewing the open-ended comments from the original survey, in almost every case, they included many comments about issues like *fairness, compensation, and work-life balance*.

What was NOT included in the comments from the original survey were statements like:

I just want to be thanked and appreciated. Or *I would like to see my colleagues get recognized in front of their peers.* Or *We need to focus more on recognizing the contributions of one another.*

Let me be clear. If we had pursued the issues revealed through the open-ended comments, we would have invested time and resources in things that would NOT have resulted in the kind of improvement that came from focusing on the top priority revealed through the research. And this priority was entirely missing from the comments generated by asking employees what they liked and didn't like or what they needed more of or less of.

Too frequently, when leaders want to learn something about what really engages their employees, they ask them what they like and don't like about their job or the company. Unfortunately, the answers hardly ever reveal a realistic path for creating a more productive workforce and therefore a more successful company. Try this instead: Ask them to describe the time in their career that they were the most engaged, committed, and motivated to succeed. I have done some version of this hundreds of times, and I'm not sure which discovery was most revealing—what they almost always said or what they actually never, ever said.

If you want to learn something about what really engages your employees, don't ask them what they like and don't like about their job or the company.

When asked this question, employees are most likely to describe a time when they took on a big challenge. They talk about all the effort they put into it and many times emphasize how it tested and stretched them. They often tell about how they worried about being successful and thought about it day and night. Then, most predictably, they go on to say that, in the end, it was a success, and the growth, learning, recognition, and sense of accomplishment was exhilarating. Sometimes, they even go on to describe how the experience gave them a better definition of themselves and a sense of

confidence that contributed to their future success.

Here's what I never hear. Never once has anyone described their most engaging work experience as a time that was stress free and their life was in perfect balance. Not once. Employees can certainly feel used, underappreciated, and overwhelmed. They can be in jobs for which they are ill-suited, that do not fit their talents and abilities, and experience burnout. But burnout does NOT happen from working hard on a challenge that fits the talents, abilities and aspirations of the individual — especially when employees feel supported, appreciated, and are experiencing growth. Also, when describing these engaging experiences, employees never seem to get around to mentioning compensation or being treated fairly or like everyone else.

Just asking your employees what they want or need, or even asking them to rate the relative importance of a variety of factors, can be a trap. When you ask your customers to rate the relative importance of various product features, many times, you can take it to the bank. When you ask *employees* to do the same thing with different aspects of their work environment, you can sometimes break the bank. As implied in the title, if you want to learn what really matters for a more engaged workforce, you have to ask the right questions and listen differently.

The Benchmark Has To Fit the Goal

As a reminder, the most appropriate goal for an employee engagement survey is to identify those actionable, practical factors that cause your employees to want to work harder, stay longer, and care more. Therefore, the single most important element of the survey is to include an engagement index that accurately reflects and predicts the key measures and data points that the executives use to monitor the success of their company and the productivity of their workforce. An inappropriate engagement index is the biggest deficiency in the design of way too many employee engagement surveys. Once this deficiency is corrected, the analysis of the more specific, actionable items will yield accurate priorities on which to focus in order to ensure maximum improvement.

Here are some common examples of items that impair the accuracy of an engagement index when included. For example, satisfaction can be an appropriate benchmark on a customer survey. However, a satisfaction item is inadequate for inclusion in an employee engagement index. Mere satisfaction is a marginal criterion that sets a low bar, it is therefore an inadequate measure. However, extreme satisfaction does a much better job of tapping into the kind of emotional connection typical of highly engaged employees. A much higher bar.

On average, employees cannot remain objective when they rate their own effort or even the effort of the people around them. After all, didn't we all learn early on to always give 110%. What's worse, many employees feel that work demands much more effort when they are really disengaged, which creates a reverse scoring component that completely confuses the research— Including an item intended to measure discretionary effort undermines the validity of an engagement index.

Another popular item that undercuts the accuracy of an engagement index is: *Taking everything into account, this company is a great place to work.* Although it is the case that highly engaged people are likely to provide a positive response to this item, the opposite is not true. It is NOT the case that everyone who thinks their company is a great place to work is highly engaged. They could think it is a great place because it is fun,

convenient, harmonious, or free of conflict or pressure, for example. This greatly confuses the engagement analysis.

An effective engagement index should include a retention item. Like: I intend to be working here in two years; or I have a long-term career goal with this company; are popular examples and can be useful for other purposes such as predicting replacement hiring. However, they degrade the effectiveness of an engagement index. If people are close to retirement or a personal situation is causing them to relocate, even if they absolutely love their job, they have to answer negatively which confuses the research. Also, new employees may be highly enthusiastic about their new job, but they may not yet know what to expect for their future which, again, gives a false reading on their engagement. Words matter. If you don't use the right words, you won't get the right result.

For more specific guidance on the right engagement index, please give us a call at WSA or see the article called Measuring Engagement on our web site at www.workforcescience.com.

Scales Matter—Don't Lose the People on the Fence

If you are trying to understand if people are going to buy or not, vote yes or no, or choose *more taste* or *less filling*, then it makes sense to structure survey items to get as many people as possible to make a choice and get off the fence.

That's undoubtedly why many customer or consumer survey experts prefer a two- or four-point scale with no midpoint – scales with even numbers require a commitment to either the positive or negative end of the continuum.

However, if you are trying to learn if employees really trust their leaders, feel that they receive meaningful recognition, or are experiencing opportunities to learn and grow, for example, then being undecided is a very legitimate response. In fact, the people who are undecided, or on the fence, may be a very critical group. If you want a quick win, knowing where people are undecided could be a big clue. After all, if you want to have immediate influence, maybe starting with the folks who could go either way, with a little nudge, might present a great opportunity. In short, being *neutral* or *undecided*, or *neither agree* or *disagree*, is a very legitimate response and provides important information. When employees do not have the opportunity, on a survey, to accurately represent their true feelings, they are frustrated, and some disengage from the process. Again, if you are looking for a quick win, understanding the issues for which employees haven't yet made up their mind could be important information.

> **In employee survey research, a five-point Likert scale, with a mid-point, is critical.**

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You Don't Have To Be Really Good At All the Stuff—Just the Right Stuff

As stated earlier, buyers want it all. Sellers, however, know they have to give some things up—make some sacrifices. An effective employee survey process should reveal approximately half a dozen actionable factors that are driving the level of overall engagement across the entire company. But here's the rule—never try to boil the ocean.

We have been able to document, across hundreds of projects, that a given company will make significantly more progress by having managers and leaders focus on two of the priorities than they would have made by focusing on all six.

There is something powerful about focusing the energy of a company or a team of people on a small number of truly important issues.

I might even go one step further. By focusing on just two of the priorities, you are pretty likely to make more progress across all six of them than you would have made by focusing on all six. For example, if *recognition* is one of the six priorities and you do a good job of providing more meaningful recognition so that your *recognition* scores improve, you are likely to notice that your *communication* scores also improved because now people also feel better understood. They feel listened to. In another example, if leadership does a good job of talking about the future of the company with purpose and enthusiasm in order the raise

scores on *future vision*, you are likely to notice that *trust* scores improve as well.

So, how should managers choose priorities on which to focus? Normally, the priorities that emerge from the data are listed in order, based on the strength of the correlation statistics.

Should managers just pick the top two? No. Here's another rule—managers should take into account their best judgement about which two factors might be the most promising. First, managers should consider their own preferences and capabilities and what they believe they can address most effectively. Also, managers need to consider the specific needs based on what they are hearing or sensing from their team or work unit. Choose targets only from the six priorities identified through the research because those are the issues that will definitely lead to the most improvement. Just pick the two that you believe will work best for you and your group. This is the right combination—solid science guided by good judgement. It works.

In summary

Sellers (i.e., employees) behave, commit, expect, and decide differently than buyers (i.e., customers). Employees are different than customers. Applying the right science and analytics, utilizing the right techniques, and exercising solid judgement and sensitivity is the only way for you to optimize the impact of your employee engagement efforts and significantly and steadily improve the performance of your workforce.

If you want to understand your employees so that you can more effectively build a workforce or a team composed of people who want to work harder, stay longer, and care more, then you have to learn to ask the right questions and listen the right way. If you utilize the same science and techniques that you use to understand your customers, you will get it wrong.

The success of your employee engagement survey process depends on, among other issues, getting the following things right:

- Asking your employees isn't good enough. You have to use the right science to identify the best path forward.
- Asking the right questions and using the right benchmark. Flawed items will lead to a misleading benchmark that only produces inaccurate priorities. The words matter.
- Many employees are undecided or unconvinced on some important issues. Don't lose their data. Use a five-point Likert scale with a mid-point.
- You don't have to be good at everything. Select a couple of priority issues identified through the research that you think you will be effective at addressing and go to work.

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