

# *Strategic Use of Employee Opinion Surveys*

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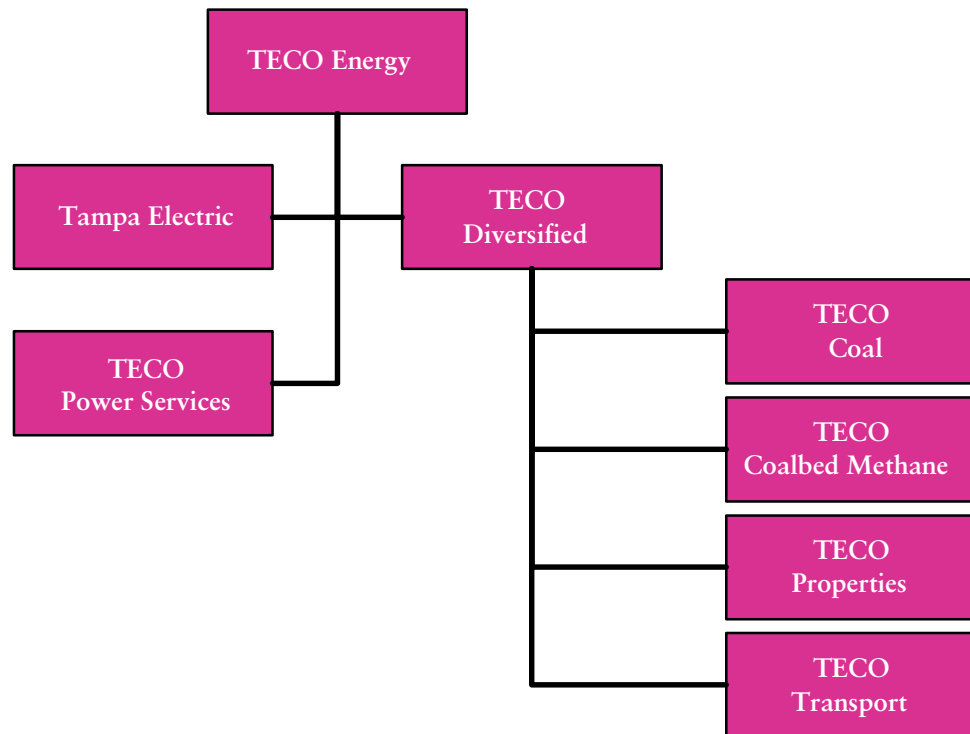
## *Today's topics*

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- Organizational change and HR's role
- How employee surveys can help achieve change
- Strategic vs. traditional employee surveys
- An action-oriented survey process
- Key issues to consider in conducting a survey

# *TECO Energy, Inc.*

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## *TECO Energy, Inc. (1994)*

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|  |               |
|--|---------------|
| Revenues   | \$1.4 billion |
| Net income                                       | \$153 million |
| From regulated electric utility (Tampa Electric) | 76%           |
| From non-regulated businesses                    | 24%           |
| Total assets                                     | \$3.3 billion |
| Employees  | 4,440         |
| Tampa Electric                                   | 2,828         |
| Other businesses                                 | 1,538         |

## *Driving forces for change*

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- Regulatory climate
- Long-term industry growth rate
- Growing competition (cogeneration, IPPs, alternative energy sources)
- Work force diversity (demographics, values, . . .)
- Technology
- Customer expectations (price and reliability)

## *Key barrier to change*

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*“Change has no constituency. People like the status quo. They like the way it was. When you start changing things, the good old days look better and better. You’ve got to be prepared for massive resistance.”*

**Jack Welch, CEO**  
General Electric

# *Utility cultural transition*

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- Management style = control
- Cost-driven decision-making
- Hierarchical, functional organization
- Lifetime employment
- Risk avoidance, over-engineering
- Reward Individual performance
- Control information
- Careers in “silos”
- Turf
- Planning = Budget
- “No bad news”
- ➔ Coach, empower
- ➔ Value-driven
- ➔ Flat, responsive organization (matrix, virtual teams)
- ➔ Based on value added
- ➔ Prudent risks embraced
- ➔ Reward group & org. performance
- ➔ Share information
- ➔ Careers across organization
- ➔ Organizational perspective
- ➔ Planning = vision & strategy
- ➔ Seek out information

## *TECO HR Department: Traditional*

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- Bureaucratic
- Policy Administration
- “Blockers to progress”
- Hierarchical, multi-layered
- Forms driven, paper shuffling
- Paternalistic
- Narrow jobs/specialization

## *TECO HR Department: 1990's*

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- Customer focus
- Companywide business plan linkage
- Line management ownership of key HR processes
- Climate for learning and development
- Multi-skilled, cross-trained consultants
- Drivers of change

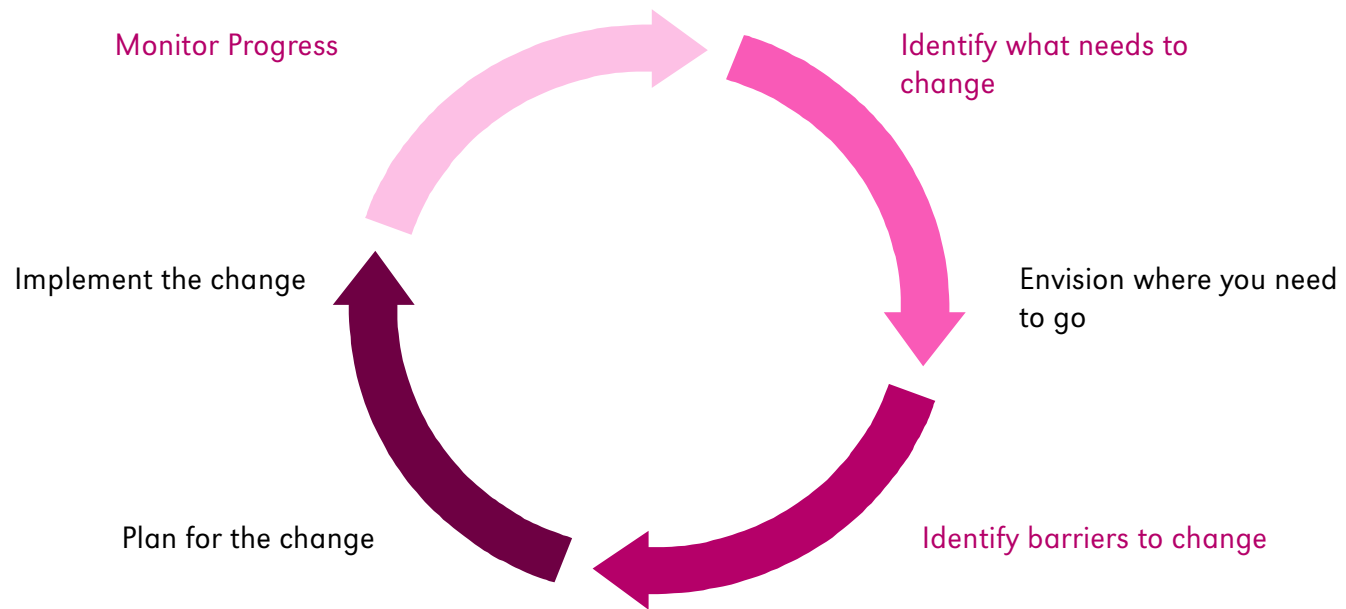
## *HR's role in the change process*

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- Planning, facilitating, leading the transition (revolution?)
- Measuring change
- Continuous improvement of HR people, systems, processes

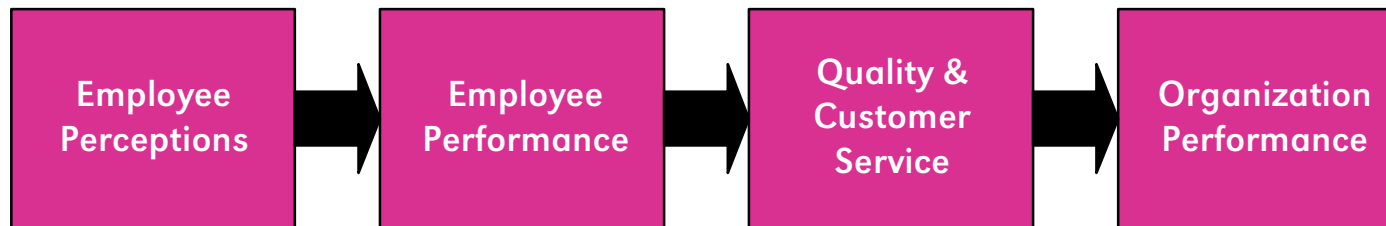
# *A model of change*

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# *Why conduct an employee opinion survey?*

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- Employee perceptions are related to organization success
- Survey can provide **information** about changes needed and the success of changes implemented
- Survey can provide a **process** for helping to achieve necessary changes

# Why doesn't everyone use surveys?

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We should do one and probably will

44%

We should do one but probably won't, because of cost

26%

We should do one but probably won't, because of management reluctance to obtain employees' views and act upon them

44%

We don't need to do one because we know our employees' attitudes are positive

5%



**Percent of organizations indicating**  
*(adds to more than 100 because of multiple responses)*

**Source:** Hay Group 1993 national survey of over 1,000 corporate HR professionals

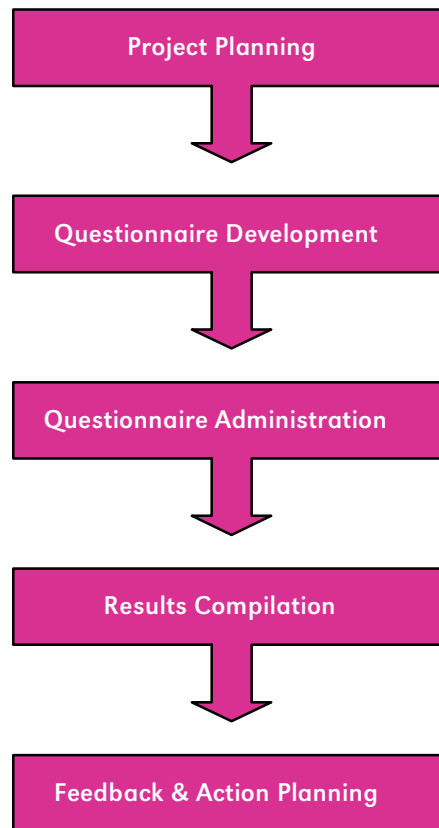
# *Strategic vs. traditional EOS process*

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|                            | <b>Traditional</b>                  | <b>Strategic</b>           |
|----------------------------|-------------------------------------|----------------------------|
| <b>Survey participants</b> | Sample of employees                 | Census (all employees)     |
| <b>Questionnaire</b>       | Descriptive, general, off-the-shelf | Company-specific; targeted |
| <b>Item content</b>        | Morale and “hygiene” factors        | Key strategic issues       |
| <b>Reports</b>             | Few, broad, company level           | Detailed data, group level |
| <b>Feedback to</b>         | Top management                      | All levels                 |
| <b>Feedback by</b>         | Consultant                          | Managers                   |
| <b>Action planning</b>     | Consultant-driven, at top           | Bottom-up and top-down     |
| <b>Action on</b>           | Biggest sources of dissatisfaction  | Key leverage points        |

# *The employee opinion survey process*

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## *Project planning*

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- Reality check—do we really want to do this?
- Form task force—line management ownership
- Clarify key objectives
- Determine work unit breakdown for reporting and feedback purposes
- Determine administration plan and schedule
- Communications plan (pre and post-survey)
- Plan feedback training
- Develop action tracking system

# *Survey goals*

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- Provide objective data
  - Things aren't real until we can measure them
  - Making the intangible tangible
- Allow all voices to be heard
- Identify leverage points for improvement
- Identify solutions to important problems
- Reinforce empowerment and participation
- Determine communication needs
- Determine training & development needs
- Measure success of key programs and practices

# *Questionnaire development*

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- Reasonable length
- Benchmark items for comparisons (norms, trends)
- Employee and management input
- Address key strategic issues
- Evaluation of recent programs and initiatives
- Demographic information?
- Customization by department?
- Open-ended question(s)?
- How to identify feedback units?
- Odd/even number of scale points

# *Questionnaire development*

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- Determine factors affecting
  - Quality
  - Service
  - Efficiency & Productivity
  - Empowerment & motivation

## *Possible questionnaire areas*

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- Commitment
- Communications
- Reward systems
- Customer service
- Decision making
- Job security
- Empowerment
- Leadership
- Performance management
- Quality
- Training & development
- Turnover
- Work environment
- Diversity
- Work/family issues
- Career development
- Teamwork/coordination
- Innovation
- Staffing

# *Questionnaire administration*

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- Achieve high response rate
- Maintain confidentiality
- Minimize disruption
- Flexibility
- Consider newer technological options

# *Results compilation*

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- Internal vs. external consultants?
- Comments: content analysis or simple compilation?
- Reduce cycle time!
- Report issues
  - user friendly
  - complete
  - graphics to aid understanding
  - key indices
  - trends
  - normative comparisons
  - details available

## *Feedback & action planning*

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- Strategy for transmission of results and taking action
- Results reports indicate *what* employees feel and believe...
- Feedback meetings help determine *why*!
- Management-run (training and job aids important)
- Structured agenda
- Actions taken at lowest level possible
- Employee buy-in, reinforce empowerment

# Importance of feedback

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Results of a study in a large manufacturing firm conducted by Management Decision Systems:

Employees from locations where no feedback meetings held

84%

Employees who had opportunity to attend feedback meeting

11%

*Percent stating that survey results "would not be utilized well"*

- Employees overwhelmingly preferred feedback in small department (unit) meetings; large group meetings and written feedback were less well-received
- In locations holding unit meetings, subsequent surveys showed significant improvements in employee attitudes about the company, management, and the survey process itself—there were no such increases under other feedback methods

## *Feedback: Manager responsibilities*

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- Working with the survey results report for unit to obtain own personal understanding of the results
- Meeting with employees to candidly review the results of the survey
- Encouraging discussions of actual or perceived work problems and possibilities for making constructive changes
- Communicating actions and action recommendations upwards (and sideways)
- Tracking actions (closing the feedback loop)

## *Managers: mistakes to avoid!*

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- Oversimplification
- Overreacting emotionally
- Undervaluing results—emotional distancing
- Overdependence on comparisons
- Forgetting to celebrate positives
- Getting lost in the forest....

## *Employee perspectives on the EOS*

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“I feel that a survey is a valuable tool if things are acted upon. I hope to see lots of good come of this survey and hope to see more in the future.”

“Thank you for the opportunity of maybe voicing a small part of our feelings to someone. I only hope that someone somewhere will take the time to listen.”

“I don't believe this survey will have any bearing on my job. It will still be the same old #\$\$@%!”

Source: Tampa Electric Employee Opinion Survey

## *EOS-linked changes at TECO*

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- Formal communications
  - Increased employee ownership
  - Increased employee responsibility and choice in benefits
  - Continuing evolution in employee empowerment, team-based organization, new structures
  - Performance management
  - HR systems linked through competency model
  - Union-management relations
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- EOS results show mainly positive trends, we benchmark very well against national/industry norms in almost all key areas

## *What we've learned*

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- An employee opinion survey is a communication *process*, not just a questionnaire
- But it's a simple process at root, aimed at improving our company's ability to effectively compete in a changing environment
- It gives us a chance to take a step back and measure how much we have changed, and whether we're changing in the appropriate directions. It allows us one more way of identifying barriers that are preventing us from providing excellent service to our Customers
- The process is powerful—don't do it unless you mean it, and are willing to follow through!