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# **USING EMPLOYEE OPINION SURVEYS TO IMPROVE PEOPLE OUTCOMES**

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## Introduction

Employee Opinion Surveys (EOS) have great potential to improve workplace people outcomes: they can be used to identify emerging ‘hot spots’; reduce adverse reactions associated with organisational change processes; improve the management of absenteeism; prevent harassment, bullying and workers compensation claims; and accurately identify work environment psychosocial risk factors (e.g., Carr, Schmidt, Ford & DeShon, 2003; Cotton and Hart, 2003).

However, many agencies under-utilise their existing EOS processes. For example, some agencies only use aggregate survey results (i.e., results that combine multiple workgroups) to guide improvement initiatives, rather than using survey results broken down to the work group level. This is important because the factors assessed in surveys are most influential at the work group level. As a consequence, development programs not using results at this level cannot be targeted as accurately, and are less likely to make a difference to actual people outcomes. This way of using a survey can diminish the perceived value of EOS processes over time, increasing employee cynicism and eventually undermining the value of EOS data.

Another issue relates to the widely varying quality of currently available EOS instruments. The technical properties (i.e., psychometric characteristics) of a survey determine how accurately and consistently an EOS assesses the indicators it was designed to measure. Recent technical reviews of a number of widely used instruments suggest that many of these surveys are characterized by: (a) significant redundancy (i.e., questions that add no value and when deleted do not change the results at all); and (b) unstable or overlapping indicators (i.e., the items measuring a particular indicator actually measure aspects of two different indicators). In practical terms, the psychometric quality of a survey dictates how accurately improvement initiatives can be targeted and how much change can be achieved.

Many agencies also struggle with identifying connections between their survey results and actual organisational outcomes. They attempt to link their survey results with, for example, performance data, workers compensation claims, turnover and absenteeism levels.), but do not find any consistent correlations. This occurs mainly because between specific people-related factors measured in surveys and actual organisational outcomes, there are numerous intervening influences. To identify any correlations, surveys need to measure the most relevant factors (i.e., key people drivers) and measure them very precisely. Some surveys measure more key people indicators than others and measure them more accurately. Such surveys are thereby more likely to show connections with specific organisational outcomes (e.g., Armstrong, Hart & Fisher, 2003).

Some agencies have become skeptical about the value of EOS because they have not been successful in identifying links with organisational performance data. As an example of what can be achieved, one agency has recently invested considerable effort in developing an in-house EOS that has been refined over the past few years. This organisation has now identified relationships between survey indicators (specifically, those relating to aspects of the leadership style of immediate managers, perceptions of

fair treatment and trustworthiness), and service delivery data. Demonstrating such correlations can greatly increase the credibility of EOS processes with senior managers and motivate increased utilisation of EOS results in driving improvement initiatives.

Historically, EOS have been around for more than half a century (Reichers and Schneider, 1990). Developed initially by industrial psychologists, EOS were traditionally underpinned by extensive statistical analyses. This enabled organisations to be confident that the instruments they were using were accurate and assessed stable employee opinions and perceptions rather than transient feelings and thoughts. In other words, the results are the same irrespective of what day of the week employees are surveyed and are not distorted by such extraneous factors. There is a well-established science of measurement that can guide the development and focus of questions (e.g., asking people how they feel about aspects of their work environment as opposed to asking how often they observe that certain behaviours or events occur in their workplace); and how appropriate response options should be formulated (e.g., a five point or a nine point rating scale etc.). These are all critical design elements of surveys. One reason that the quality of current surveys varies so much is that many surveys are now developed without using these procedures.

## **What are the characteristics of a high quality EOS?**

What are the key characteristics of a high quality EOS? How can a good EOS be identified? Some principles of survey design that may assist in assessing the quality of an EOS include:

- **The Range of Indicators Assessed by the EOS.**  
What constructs or factors are assessed by the survey? Are these constructs relevant, and is there a sufficient range to address key people management issues? Some organisational factors exert more influence on people-related outcomes than others. High quality EOS tend to capture more of these key drivers. This enables improvement programs to focus on the key organisational leverage points rather than indicators with less impact on outcomes. From a technical point of view, an EOS provider should be able to provide data on how much of the variance in particular people-related outcomes can be explained by the indicators measured in the survey (measures of variance provide an indication of how powerful the survey instrument is).
- **Psychometric Properties**  
In a technical sense, EOS should be characterised by strong reliability and validity. Reliability means that an EOS yields the same results at different points in time if nothing influencing the survey indicators has changed. An agency needs to be confident that a change in an indicator over time reflects an actual change in employee perceptions about the work environment rather than the measurement system not being capable of consistently measuring the particular indicator. Validity concerns whether the survey accurately measures what it is supposed to measure. Some surveys do not adequately assess the constructs they purport to assess because the validity is low. The questions in the survey may not capture what they are intended to, or may actually be assessing two or more

distinct indicators. An EOS provider should be able to provide reliability and validity statistics for an EOS instrument.

- **Organisational Behaviour Model**

Is the survey based on a recognised model of how individual and organisational factors interact to influence workplace outcomes? In other words, has the development of the survey been guided by an evidence-based model? Surveys are always based on assumptions about workplace behaviour, human motivation and how various factors influence outcomes. Are these assumptions coherent and consistent with evidence-based models of organisational behaviour? The research literature consistently shows that EOS grounded in evidence-based models are more powerful tools for achieving substantive improvement in people-related outcomes (e.g., Carr *et al.*, 2003; Ostroff, 1993).

- **Credibility with Employees**

Do the questions make sense and seem relevant to employees? This is what is traditionally known as ‘face validity’. The wording and content of items in a survey should at least be credible to employees completing the survey. If questions do not seem relevant or meaningful, employees can become more cynical, and this can undermine their participation in an EOS process.

High quality EOS have all of the above characteristics and can reasonably be expected to accurately identify key organisational leverage points, and thereby provide a sound basis for developing effective improvement programs (Griffin, Hart and Wilson-Evered, 2000).

## **Issues in using EOS results to guide improvement programs**

The quality of EOS instruments is one important issue, but accurate data on key drivers can be worthless if not appropriately used to guide improvement initiatives. The following sections summarise observations across the Commonwealth sector in relation to the processes used to translate EOS results into development programs.

### **Working With Results at the Work Team Level**

As already noted, survey results should ideally be reported down to the work team level. Aggregating results, and only reporting them at, for example, the divisional level, loses much of the potential value of a survey process. Most of the variation in factors that exert the greatest influence over people-related outcomes occurs at the work group level. This is one reason why the value of external benchmarking is often over-stated. The differences between organisations when comparing most meaningful survey indicators are typically much less than when comparing work groups internally within the same organisation. Survey data at the organisational level provide a very weak basis for designing improvement initiatives. In fact, there is an emerging trend for organisations to use their EOS processes to identify the relatively poorer performing work groups and target these for more intensive development and human resource management support.

Organisations using such targeted strategies tend to show greater overall improvement in actual organisational performance and people outcomes.

To deal with confidentiality issues, survey providers will typically specify a limit (e.g., a minimum of 5 employees), beyond which results will not be further broken down. Some providers suggest that work group level results will compromise confidentiality. This is not the case at all as survey processes reporting results to the work group level regularly pass rigorous university ethics committees that are highly sensitive about participant confidentiality.

### **Developing Action Plans Based on EOS Results**

Agencies frequently invest more energy in implementing a survey than in the follow through processes where results are translated into practical improvement initiatives. ‘We did the survey and haven’t seen anything come of it’ is a frequent comment heard from employees in the post survey period. Often managers report that they do use the survey data to improve the work environment but these efforts seem to remain invisible to employees. The difficulty with this situation is that employee cynicism can progressively increase and undermine the value of subsequent survey efforts.

Even where agencies require managers to formalise action plans based on survey results, there is still wide variability in the quality of plans, and managers sometimes do not follow through on plans that are formulated. This is where adequate organisational support is needed to assist managers and their workgroups to formulate action plans that can effectively target key drivers and achieve sustained change. Organisations that put in place processes to centrally review the quality of action plans and assist workgroups with poor quality and mis-targeted plans to fine-tune them, typically achieve greater improvement in organisational performance and people-related outcomes.

Accountability is the key here and a powerful element of any accountability system is internal benchmarking. This involves comparing the current work team survey data with that from the previous period to determine whether the development program actually resulted in measurable improvement in nominated indicators.

### **The Importance of Employee Engagement**

Managers sometimes make the mistake of using an excessively ‘top-down’ approach in working with survey data. They do not appropriately engage employees in reviewing and interpreting the data, and working together with a sense of shared responsibility to develop a program to improve their work team climate. The risk here is that the manager will make most of the decisions unilaterally and drive improvement initiatives from management level without any buy-in from employees. Under these circumstances, any action plan is unlikely to be successful.

Appropriate employee involvement is a critical factor in a successful EOS process and for the achievement of any significant and sustainable organisational change. Initially consulting representative groups of employees to identify current issues that can be used to formulate additional questions; ensuring that all employees can access survey feedback

results; and involving employees in action planning processes are key components of successful engagement.

### **Not All Survey Indicators are Equal**

Some indicators measured in surveys have a relatively stronger influence on key people-related drivers (e.g., wellbeing and job satisfaction) and outcomes (e.g., core task performance, discretionary performance and withdrawal behaviours). In deciding what to focus on in their action planning, managers and workgroups frequently focus on the weakest scoring indicators, and target those for improvement. However, improving the lowest scoring indicators may not necessarily result in significant improvement in the outcomes of interest. This is because the lowest indicators may, or may not, be the most potent influences. This is where an evidence-based organisational behaviour model can assist in prioritising which areas may be most effectively targeted in action planning.

One recent review of improvement programs in a public sector agency showed that work groups that targeted key drivers in their action plans achieved significantly more improvement than work groups that focused on the weakest scoring indicators as such (Cotton and Hart, 2004). In fact, many of the work groups that only focused on the weakest indicators showed no improvement at all.

## **EOS and psychosocial risk assessment**

When traditional risk assessment approaches are used to guide workplace initiatives designed to improve employee wellbeing outcomes, there is a tendency to focus on discrete adverse work experiences (often termed psychosocial hazards). As such, these approaches are prone to confusing symptoms with causes, because the nominated hazard may not be the key driver of the identified problems. In other words, we need to distinguish between operational demands and the context in which work is conducted, and recognise that contextual factors (e.g., leadership and managerial practices, climate and culture) strongly influence how employees cope with and manage their operation demands. In fact, these contextual factors tend to exert a stronger influence on employee wellbeing outcomes when directly compared with a wide range of operational stressors as such (Cotton and Hart, 2003).

The issue of work demands provides an illustrative example. It is common for psychosocial risk assessments and occupational stress surveys to nominate 'excessive work demands' or 'work pressure' as a major risk factor for employee wellbeing and health. However, the issue of work demands is not straightforward (see Cotton & Hart, 2002). On the one hand, people evidently have a personal coping limit in relation to the amount of work they can reasonably be expected to undertake in a safe, healthy and productive manner over time. On the other hand, we also know that the same objective level of work demands can be perceived as stressful and overly demanding at one worksite, and as engaging and not at all stressful at another worksite.

Changing the actual volume and flow of work demands may not necessarily improve levels of wellbeing and reduce the reporting of adverse stress responses. This is because a

significant portion of the experience of work demands is influenced by leadership practices and the quality of work team climate. In many instances, improving people management practices and processes (e.g., the provision of support and guidance in prioritising work demands; involvement in decision-making processes and aligning employee and work group goals and objectives) leads to increased morale and reduced reporting of work pressures and stress, without changing the volume and flow of work demands at all.

It is also needs to be considered that, in principle, it is possible for a high performing work team with high levels of morale to 'push their limits' and exhibit an elevated risk of psychological distress responses and burnout type problems. In practical terms, this risk can be avoided through: (a) monitoring indices of employee wellbeing, (b) fostering a 'care and concern' workplace culture which encourages early reporting of problems, and (c) managers 'keeping their finger on the pulse' of the work group through their supportive leadership behaviours (i.e., demonstrating empathy, understanding the issues faced by staff and being proactive in addressing emerging people problems etc.).

Furthermore, in practical terms, organisations that wittingly or unwittingly push work groups to sustain unrealistic levels of performance inevitably find that the initial increase in performance declines over time, and this approach is revealed to be a completely ineffective long-term organisational strategy. It is also demonstrably not cost-effective when the adverse impact on people-related outcomes (e.g., particularly the decline in discretionary effort and increased withdrawal behaviours) is quantified. Our experience and observations across the public and private sectors suggests that in high performing organisations with good quality people management practices such problems typically do not arise. 'Healthy' organisations that are viable over the long term equally value both performance and wellbeing, and strive to optimise both of these.

Assessing aspects of leadership and work team climate is challenging. Traditional risk assessment approaches have generally not been designed to disentangle and accurately identify these drivers. As noted above, they tend to focus more on discrete hazards rather than the organisational contextual factors that influence how these hazards actually impact on employees. This is where an appropriately designed EOS can serve as an effective core component of a psychosocial risk assessment process. A well designed EOS should be able to identify key organisational leverage points that influence employee wellbeing and satisfaction. Such an EOS should also be able to assist in determining the weighting that should be given to various risk factors that may have been identified through other consultation processes. A high quality EOS can also assist in identifying at-risk work groups in terms of the level of work demands they are undertaking.



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