Understanding Employee Opinions

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The Institute for Employment Studies is an independent, apolitical, international centre of research and consultancy in human resource issues. It works closely with employers in the manufacturing, service and public sectors, government departments, agencies, and professional and employee bodies. For 35 years the Institute has been a focus of knowledge and practical experience in employment and training policy, the operation of labour markets and human resource planning and development. IES is a not-for-profit organisation which has over 60 multidisciplinary staff and international associates. IES expertise is available to all organisations through research, consultancy, publications and the internet.

IES aims to help bring about sustainable improvements in employment policy and human resource management. IES achieves this by increasing the understanding and improving the practice of key decision makers in policy bodies and employing organisations.

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Introduction

This short briefing aims to help you think about employee opinions, specifically:

- why collect employee opinions in the first place – is there a business benefit?
- what different methods are available for gathering employee opinions, and which is best for your organisation?
- how can your employee opinion survey *really* help you in understanding and managing your workforce?

What's the point?

Aside from the moral and ethical dimensions of employers wanting to ensure that employees feel fairly treated, developed and rewarded at work, there is a compelling business argument. There is a convincing and growing body of evidence showing that employees are more committed to, and engaged with, their organisation if they feel valued and involved – and that high commitment and engagement levels are associated with better performance. IES' own 'people to profits' research, for example, was conducted in a retail environment. It showed clearly that an increase in employee commitment resulted in an increase in sales, in two ways – directly, and via increased customer satisfaction and spending intention. The CBI and the TUC were sufficiently convinced by the evidence to make the following submission to the 2001 Productivity Initiative:

> *'..companies with higher levels of employee involvement and high commitment practices are more competitive and employees' jobs are more secure and satisfying. These practices should be actively promoted.'*

For employers who are still unsure of the need to collect and analyse employee opinions, there is a compliance imperative. By March 2005, employers with more than 150 employees will be expected to comply with new legislation implementing the European Directive on informing and consulting employees. Employers will have to show that they have arrangements in place to involve employees, and that employees are in agreement with these arrangements.

Different approaches

The ways in which organisations approach the collection and analysis of employee opinions are likely to vary, depending on a host of things – size, available resources, culture, type of employee, geographical dispersal, TU involvement, history *etc.* Although this brief is not intended as a step-by-step 'how to do it' guide, it is worth a quick review of the different approaches available to you.

Employee attitude surveys

Surveys enable everyone, not just the articulate or influential minority, to express their views and, if conducted by an independent external body, to do so without fear of criticism or reprisal. The questionnaire can cover a lot of ground, and can seek views about particular initiatives and developments as well as more general opinions about working life in the organisation. As surveys normally yield a massive amount of quantitative data, they enable extensive exploration and reporting – such as comparisons between groups, trends over time and relationships between different aspects of organisational life. The level of detail also means that actions can be taken to address the concerns and issues of particular employee groups, as well as those of the workforce considered as a whole.

On the downside, response rates can be low, and can also vary depending on employee group – with younger employees, people from minority ethnic groups, and workers in support and manual roles less likely to reply than their counterparts who are older, white or in managerial or professional roles. Linked to the variability in response rates is the observation that some people find the terminology of questionnaires daunting, especially if English is not their first language or if they have relatively low levels of literacy. A further difficulty lies with the fact that the questionnaire, even if highly sophisticated and robust in its design, can only go part of the way toward representing the subtle shades and nuances of human opinion. Very often, a survey throws up a host of issues that will require further investigation. Finally, surveys are relatively expensive and take time – and, particularly because they are presented and perceived as a 'big thing', inevitably raise expectations that, if not met, can lead to demotivation.

Focus groups

Focus groups – variously termed workshops, seminars and discussion groups – have the big advantage of allowing in-depth discussion and exploration of the issues. They yield a wealth of qualitative data and involve participants in working together to start finding solutions for problems, rather than merely expressing their dissatisfaction. They have the practical benefit of usually being cheaper than a survey and quicker to turn round in terms of reporting the results.

There are, however, disadvantages. Focus groups need expert facilitation, particularly if sensitive issues are being discussed. Some participants may feel inhibited due to their perceived low status within the organisation or their lack of confidence to speak out – while others may have an axe to grind and will tend to dominate. This imbalance can lead to biased results, especially if the group participants are self-selected (*eg* have volunteered to take part) rather than being randomly chosen. Unless the exercise is very extensive, the majority of employees will be excluded from the process. Finally, the results are harder to analyse and the qualitative data do not lend themselves so readily to extensive comparative analysis.

Interviews

Interviews can be either face to face or, if large numbers are being interviewed, via the telephone. They share most of the benefits of the focus group, and allow very detailed exploration of specific issues. If conducted properly, individuals can be completely open, even about very sensitive issues, without fear that their views will be reported back to 'management'. The interview format is particularly appropriate for new recruits, who may not feel fully confident about participating in focus groups, or for leavers, whose reasons for leaving, and possibly negative views about the organisation, may need to be explored in depth.

A difficulty with using the interview as an opinion-gathering tool is that it is fairly time consuming and can be expensive, particularly if independent external people are brought in to preserve employee confidentiality. Due to the relatively small number of people being interviewed, it is hard for large organisations to achieve a representative sample, which may lead to biased results.

Piggy-backing onto existing systems

Organisations with few resources to spare sometimes use existing methods of communication – for example, suggestion schemes, appraisals, quality circles, team briefings and informal chats – to gather views on particular issues, or to test the temperature generally. This approach has the big advantages of being cheap and offering frequent opportunities to interact, and it can work well in a smaller, informal organisation. However, using this method in a more formal, large, possibly dispersed organisation brings several problems. People may not feel able to be open about issues that are bothering them, or there may not be enough time to discuss extra things on top of normal business. There is also considerable reliance on managers to gather opinions in a consistent way, and to interpret what they are told objectively; almost inevitably, there will be a degree of selection and use of anecdotal evidence.

Exploiting the full potential of opinion surveys

Given the cost in terms of money, time and effort that is involved in running an attitude survey, it is surprising that many organisations do not make full use of the results. Some survey houses will present clients with very attractive-looking reports, perhaps with some benchmarking thrown in, but without a thorough exploration of the data. Typically, the analysis gives scores for key statements or indicators, sometimes with some trend data and sometimes broken down by function, department or line manager. While this is a very useful start, some further exploration could yield so much more.

It is possible, for example, to build up a detailed picture of the attitudes and aspirations of **different groups** within the workforce, for example broken down by:

- gender
- ethnicity
- age group
- disability
- responsibility for dependants
- working hours
- length of service
- staff group (*eg* managerial, professional, operational, support)
- business unit/function/department/manager
- geographical location
- leaving intention.

The list is long and is limited only by the things you have asked in the questionnaire.

It is also possible to create **key indicators of opinion** (for example, communication, engagement, performance management, family friendliness) by combining together several statements on a similar theme. However, this cannot be done haphazardly; it is important to ensure that the statements really do belong together, via statistical tests. An indicator that works in one organisation may be completely inappropriate, or be composed of different statements, in another. For this reason, it is very important for survey houses that offer benchmarking of key indicators to present a statistical justification.

Another opportunity that is often missed is the creation of **linkages** between different parts of the survey data, again via statistical tests such as correlation and regression. You might find, for example, that among your professional group of employees there is a particularly high correlation between two indicators – the training, development and career opportunities indicator and the engagement indicator. However, among the operational group, health and safety might yield the highest correlation with engagement – while for yet another group, support staff, feeling valued and involved could be the key to engagement.

Regression analysis is another technique that can help, to enable you to pinpoint why certain outcomes are happening; for example, it might enable you to identify the most important predictors of an intention to leave in different staff groups.

If you are in doubt about the practical benefits of exploiting your data to this extent, consider the following possibilities.

- The Royal Bank of Scotland (RBS) has used its extensive analysis of employee engagement to shape its employee proposition; it offers benefits and rewards which particularly appeal to each employee group. RBS is convinced by the argument that high levels of engagement are linked to good business performance, and also uses the knowledge from its own analyses of the different things that engage different employee groups.
- If you know the main reasons why key employee groups are planning to leave (the real reasons, revealed by the attitude survey data, rather than the carefully rehearsed reasons they might offer you later, in an exit interview), you will have a head start when planning your retention strategy for those groups. In the same way as engagement varies by employee group, different things will prompt engage different employee groups to think of leaving; a 'one size' retention strategy will not fit all.
- The equal opportunities and diversity agenda is high on many HR practitioners' list of key issues. An extensive analysis of your employee attitude survey will enable you to gain a much better understanding of the views, motivation levels and aspirations of minority groups in your organisation. IES' engagement research suggests that there might be untapped potential in many organisations, where engagement levels and intention to stay of some groups – older workers, disabled employees, and minority ethnic employees, for example – are relatively high, despite dissatisfaction with career, training and development opportunities.

You may think, as you read this short briefing, that you already have a good understanding of the things that motivate and engage all the different employee groups within your organisation. If this is the case, try this exercise in empathy. Think yourself into the shoes of an employee in your organisation who is completely different from you. Perhaps this person is older or younger than you, with different home circumstances, and of a gender or ethnicity that is not yours; he/she probably works in a completely different type of job from you, requiring different skills, and will not have your level of academic and professional qualifications. His/her location, working pattern and level of reward might be very dissimilar from yours. Do you *really* understand how this person feels about your organisation? Does he/she have the same grasp of the business environment? How about decision-making – how likely is this person to be involved, and when and how will he/she get to know what has been decided? What might engage and motivate this person to do a really good job – and how does this differ from the things that engage you?

Further reading

The following recent guide to attitude surveys contains many useful tips:

IDS (2004), *Employee Attitude Surveys,* IDS HR Studies Plus 777, July

Member companies can also download the following relevant IES reports:

Barber L, Hayday S, Bevan S (1999), *From People to Profits,* IES Report 355

Ed. Robinson D, Perryman S (2004), *Healthy Attitudes,* IES Report 404

Robinson D, Perryman S, Hayday S (2004), *The Drivers of Employee Engagement,* IES Report 408

For more information on the forthcoming European Directive:

Visit the DTI web-site: http://www.dti.gov.uk/er/consultation

The CBI has just announced a new guide, *Employers' Guide to the Law on Informing and Consulting Employees*. To find out more, visit: http://www.cbi.org.uk/consultation

Finally, keep an eye on this Research Network's member pages, as IES will shortly be publishing its review of employee involvement issues and practices.

IES contacts

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