CHAPTER 10

Measuring What Your Employees Think

"Research serves to make building stones out of stumbling blocks."
—Arthur D. Little

Given that employee morale and sentiment are closely tied to sales and profit, every business needs to continuously evaluate how employees perceive the organization. Do they recommend the business to friends as a great place to work? That lowers your recruitment costs. Do they buy or recommend the company's products? That means they'll advocate for your products in person and online. Do they believe your organization and management is honestly committed to its mission? That means they're more dedicated and productive.

If Employees Are So Connected, Why Is It So Hard to Communicate with Them?

In days gone by, when nets were something our grandmothers wore to control their hair and webs were where spiders hung out, companies had the mistaken notion that employees lived in glass bubbles. These employees obviously spoke a different language from anyone else on the planet; employee newsletters, videos, and internal communications departments all proved that. Somehow these workers were magically isolated from all other news sources and therefore could be spoon-fed only the news chosen by their employers.

In fact, many companies thought that *all* their publics lived in isolated bubbles: investors, the media, overseas markets, distributors, and salespeople, and therefore, to communicate with each of these isolated publics, they had different silos. Because of this, each individual department tried to communicate with these separate audiences using different tools and different messages.

Social media has changed all that. Today, employees are more likely to get information about developments in your organization from blogs, text messaging, wikis, and e-mail. Media and information saturate our lives; with a few keystrokes, everyone has access to exactly the same information. So companies are responding and restructuring. The typical corporate communications manager I worked with 10 years ago now has responsibility for internal communications, investor relations, the company website, and international communications—in short, all of a company's possible constituencies. Increasingly, the employee communications function is moving out of the human resources department and into communications. If the responsibility stays in HR, a professional communicator from corporate communications staffs it. Such staffing makes perfect sense because top management understands the value of corporate communications to the bottom line.

Here's the reason: By providing information to employees about benefits, job openings, promotions, performance, productivity, organization events, and company goals and strategy, HR communications are a significant help to the functioning of the organization. But top management and smart managers recognize that a more strategically focused two-way dialogue with employees—one centered on meeting the organization's objectives—can have a direct and positive effect on the bottom line. For this reason companies need a skilled professional at the head of employee communications—one with a full understanding of organization direction, policy and procedure, structure, and goals.

On the other hand, it's harder than ever to reach employees and get them engaged with your organization's mission. They are already inundated with messages. Picture a typical employee who wakes up in the morning to NPR or talk radio, checks her Facebook and Twitter feeds, reads a few blogs and online news sources, reads the local paper, talks to friends in the car pool, talks to coworkers around the water cooler, and reads a number of magazines and blogs related to her job. After work, she sees ads at the grocery store and on the bus, talks to other parents at the children's football game, watches the evening news, catches a rerun of *The Daily Show* on Hulu, helps her child do her online homework, plays games on the Internet, checks out some of her favorite sites, and reads a mommy blog or two. Finally, having been bombarded with some 63,000 advertising messages along with countless other bits and bytes of information, she sinks into a well-deserved slumber.

Somehow, amidst all that clutter, the boss is trying to communicate some gobbledygook about mission, vision, or values, or yet another option in a benefits plan. The chances of the message getting through to the employee are only slightly better than the chances of getting hit by a meteor.

Seven Steps to Measuring What Employees Think, Say, and Do as a Result of Your Internal Communications

So how do you know if you've broken through all that clutter? Forget whether employees like the internal newsletter. What you need to find out first is which messages are getting through, how they're coming across, and through what media. Are they impacting the employees' loyalty, productivity, accuracy, or efficiency?

A simple measurement program will provide this information, but it takes a corporate-wide commitment to implement. Internal measurement projects sometimes don't happen—or have their results ignored—because they get caught up in internal politics, maybe as a perceived threat to a fiefdom or as a casualty of an internal war between department heads. To successfully measure your organization's relationship with its employees you must take these corporate politics into account and design your program to avoid pitfalls.

So here are the seven steps necessary to get an internal communications measurement program in place.

Step 1: Understand the Environment and Where They Really Get Information

A thorough, honest, and independent evaluation of existing communications—both official and unofficial sources of news and information—begins the process. Conduct a benchmark audit using the appropriate tools from the tools section below, or use data that is already available somewhere in the organization. This initial benchmark study may be more or less involved depending on the size and complexity of the organization, on what measurement tools are already being used, and on what data is already available.

First you need to collect and analyze samples of all the various news bites, rumors, and pieces of electronic as well as nonelectronic documentation that regularly bombard your employees.

How Are Messages Getting through to Employees, and What Are They? You've probably wondered more than once whether all those memos and e-mails are being read. Are they getting to people and/or departments in a timely manner? Are they being passed along or automatically deleted? Are they reaching the right people?

We refer to this phase of measurement as internal message analysis. We typically analyze all outgoing communications, including e-mails, newsletters, memos, voice mails, videos, speeches, and presentations to determine what messages are being communicated, who is getting the messages, and what they are doing with them, such as deleting them, forwarding them, or saving them for later. More sophisticated clients actually analyze the e-mail traffic to determine connections and networks that are developing. For large organizations, there are systems like Valdis Kreb's InFlow (www.orgnet.com/inflow3.html) to map the forwarding and response patterns of e-mail.

While most organizations are naturally concerned about over-surveying employees, a quick survey on e-mail usage generally pays off. JPMorgan Chase analyzed e-mail usage and discovered that by managing e-mail communications more efficiently, the organization could save several million dollars a year. Other important metrics are available from your intranet log files: What pages are people clicking on? What files are they downloading?

What Channels or Vehicles Do Employees Trust? Of course we'd like employees to learn everything from official sources, but that just isn't going to happen. So you need to use your research to find out the influence of individual sources of information. Chat around the water cooler or coffeepot is probably a valuable source for some news, but as more and more workers telecommute there are fewer and fewer opportunities for that kind of casual communication. Instead, employees instant message or Skype or use Twitter to reach their colleagues. You will probably find that the company newsletter and company e-mail is important for other types of information.

Use either a formal survey or a focus group to find out what channels employees trust. Generally, employees find peers and immediate supervisors to be the most trustworthy, but this depends very much on the nature of the employee. One study we did revealed that engineers in a telecommunications company only trusted information they received electronically and inherently distrusted information delivered in big corporate meetings.

Note that child development researchers have discovered that different children learn in different ways. Some respond more readily to shapes and colors, others learn verbally from words and pictures, while still others learn aurally. To get all the children in a classroom to learn the same thing at the same time requires a cornucopia of teaching tools. The same is true for employee communications.

Caterpillar Inc., the tractor company, learned this lesson with regard to its internal communications program. The organization was accustomed to communicating internally in half a dozen different ways but found that it could never quite reach everyone all the time; some group of employees always remained uninformed. Consequently, Caterpillar decided to put out the same news in every format, and has found dramatic increases in employee knowledge of corporate messages. Different employees prefer different media for different types of news.

What's Important to Them? Some 40 years ago, in a keynote address to the Advertising Club of St. Louis, Ralph Delahaye Paine (yes, a relative, my father, in fact), the editor of *Fortune*, mused, "If we can put a man in orbit, why can't we determine the effectiveness of our communications? The reason is simple and perhaps, therefore, a little old-fashioned: People, human beings with a wide range of choice. Unpredictable, cantankerous, capricious, motivated by innumerable conflicting interests and conflicting desires."

In the ensuing years, we have developed increasingly effective methods to measure people's capriciousness, but the reality remains that humans still hear what they want to hear. What they want to hear is what's important to them, perhaps what speaks to their most pressing and unfulfilled desires. If I need a new refrigerator because my old one is broken, I will be particularly receptive to news about refrigerators and ads for appliances. The same goes for your employees. If their biggest concerns revolve around the health of the organization and job security, then your messages about vision, values, and health care benefits will hardly register with them. If a number of pregnancies exist in a particular department, then benefits messages related to maternity leave and dependent insurance coverage will be picked up on first—you can bet on it.

What Do They Think about the Organization Today? Existing perceptions play an enormous role in whether employees will receive whatever messages you're trying to communicate. If you don't know the health and strength of your relationship with them, you have no idea whether they're likely to listen to what you have to say. And then, given the nature of the relationship, you still need to get them to tell you if they understand the vision and values: Do they have an understanding of what the organization is trying to do?

In some companies we find that the space between line workers and management opens to such an extent that internal communicators need to start by educating employees about what business the organization is in. Other companies are at the opposite end of the scale, using open-book management to keep every employee informed of not just the organization's business but the actual financial details of the operation as well.

Step 2: Agree on Clear, Measurable Goals

Now that you thoroughly understand the environment and your starting point, it is time to get agreement from top management about what you're trying to accomplish. To do this you need to understand the vision, objectives, and messages that senior management wants to communicate and what they expect of HR and your communications effort.

First, you will probably want to present to key management the information from your benchmark studies in Step 1 so that they understand the context. Even if, for timing or other reasons, a formal presentation may not be practical, you or your research partner will want to interview key management and determine what their messages and objectives are. Based on a thorough analysis of your preparatory research, write down very clear, explicit objectives and get senior management to agree to them. What do they think is important? What do they see as the corporate vision? What do they see as the strategic direction? Is the goal of your internal communications program to increase loyalty and productivity? To decrease employee turnover? To help in recruitment efforts? Is the goal to communicate specific messages?

Remember that what you measure is dependent upon the goals of your communications efforts. If you are using Twitter for recruitment, for example, getting more followers is not the goal. Finding better qualified, more engaged employees is the desired result. So you need to have systems in place to track not just the quantity of applications but the quality as well. You'll probably want to know if using Twitter has resulted in lower recruitment costs and less employee turnover.

If your goal is greater engagement in the company's mission, you need to determine how engaged employees are today, and then set reasonable goals for how much more engaged you think they should be after your strategy is in place. So a good goal might be: Get 50 percent of all employees engaged by a particular date. You then need to get consensus on specifically what it means to be engaged and how you are going to measure it. Does that mean heavier use of the Intranet as measured by web stats? More knowledge and buy-in with the mission as measured by a survey? Each has different metrics and requires different measurement tools.

Step 3: Select a Benchmark to Compare To

Measurement is a comparative tool, and you have to decide what you want to be compared to. It would be nice to be able to compare your results to robust industry-wide statistics, but internal communications measurement is such a young field that few are available. Watson Wyatt Worldwide does a number of studies of corporate communications that provide general benchmark data such as: Companies that communicate effectively are 4.5 times more likely to report high employee engagement and 20 percent more likely to report lower turnover rates when compared to firms that communicate less effectively. A recent study found that firms within the financial and wholesale/retail trade sectors rank among the most effective communicators, while companies from the basic materials, general services, and health care sectors tend to rank among the least effective communicators. (http://www.towerswatson.com/research/670.)

Most organizations compare results only year to year, but we strongly recommend more frequently, at least twice a year. Another recommended approach is to find a peer organization. The comparison doesn't even have to be with an organization in your industry. Telecommunications companies have been known to benchmark against Disney and General Electric because the latter had similar programs.

The bottom line is that you need to benchmark your results to an entity that seems credible to your boss or your board. If you are a telecommunications organization and your boss admires Disney, compare yourself to Disney. You and your results will get more respect than if you compare yourself to an organization that the boss does not respect.

Step 4 : Define the Criteria of Success

This is where you decide what truly defines your success, and where you commit to achieving specific goals. Make sure your goals are achievable. This process involves defining the actual words and numbers to be used as you create your specific, measurable definitions of success. These criteria are numerical, and most often they are percentages or amounts expressed in dollars or numbers of something. Your definition(s) of success might include, for instance:

- My program will increase understanding of the corporate mission and values by X percent.
- My program will decrease employee turnover by X percent.

Step 5: Select Your Measurement Tools and Collect Data

The tools that will provide the data and statistics you use to evaluate and compare programs are surveys, media content and message analysis, and web analytics. The specific tools we recommend are discussed below. They're all widely available, and many may already be in place within your organization.

Message Analysis Tools Internal communications never functions in a vacuum. Employees are just as likely to get news of company developments from the local media or the gossip at a soccer game as they are from your e-mails. Therefore, it is critical that you monitor local media (especially blogs) to have a complete understanding of what the employee is seeing. For more on media content analysis, refer to Chapter 4.

You will also want to conduct a survey that will help you determine what the takeaways are from the messages you are trying to communicate. In other words, did employees understand the message; did they interpret it correctly? Did it change their morale, their work habits, or their level of understanding? To what extent did your communications affect their outlook toward the company? We recommend quarterly pulse checks of employee attitudes to determine how perceptions are changing over time.

Focus groups can help you discover the real issues that concern employees and the specifics you want to measure. If the major messages aren't getting through, what is? What are the subtle variations between what the head honchos say and what the employees hear?

Outcome Measurement Tools Outcomes are the behaviors that you want to effect within your organization. Ideally, your communications efforts are intended to make employees more knowledgeable, more loyal, more efficient, and more productive. So your outcome metrics might be employee retention, performance ratings, turnover, or efficiency ratings.

One company developed an ongoing Trivial Pursuit-type quiz to test employees' knowledge and understanding of their messages. Prizes were awarded for the most right answers. The program significantly increased employee's understanding and belief in the company's key messages.

An important outcome metric is available by studying your intranet's log files. Data such as how long employees spend in each area, what pages they visit, and the extent to which they download the information you provide are all potentially valuable measures of employee behavior.

Increasingly, organizations are using internal blogs and communities as a way to get messages out to employees and to gather feedback from employees. Companies like Sun and GM rely on blogs to establish two-way conversations between management and employees. If you have a corporate blog you have an easy way to track employee responses based not just on the direct comments, but also on the volume of traffic, the number of trackbacks, and the number of other links to the site.

Use Surveys to Determine What Employees Think For surveys to be statistically valid, every employee needs an equal opportunity to participate. In many companies this precludes e-mail surveys, since not every employee has equal access to computers. In many cases even phones aren't always within reach. No surprise, then, that so many companies still rely on paper surveys. Although they may be slow and appear antiquated, employees seem remarkably willing to fill them out. A good response rate for employee paper surveys is around 40 percent.

Phone surveys are a good option for those groups of employees, like managers, for instance, who definitely have phones. We undertook a survey for a major national health concern and found that more than half of the survey population willingly spent 30 minutes with us, discussing the pros and cons of the communications program.

The key, of course, is to ask the right questions. Make sure that you have a professional researcher craft the survey questionnaire and include demographics by which you can segment the data. Look around any company Christmas party and you'll quickly realize that employees are hardly a single audience. You'll see long-time employees and newbies, men and women, geeks and marketers, telecommuters and cubicle dwellers, branch office and main office. So don't measure them as if they're one group.

Designing a survey is a deceptively difficult job, and if you get it wrong, you probably won't find out until there's a pile of worthless paper staring you in the face. We often see homegrown benchmarking programs fail because the right questions either were not asked or were asked in a way that failed to yield actionable information. Too many employee attitude surveys measure tactics rather than relationships. The right way to measure employee attitude is not just to test satisfaction but to use the Grunig Relationship Survey questions (see Chapter 4 and Appendix 1).

Step 6 : Analyze and Take Action

After you have collected the data, it needs to be counted, evaluated, and categorized according to type, effectiveness, messages communicated, and so forth. Examine what messages are being delivered in what formats. You can use something as simple as an Excel spreadsheet, or a more sophisticated database package like WinCross, SAS, or SPSS to dig a little deeper.

Make sure you analyze your data by segment. At the very least you will want to compare data by: gender, age, length of time with the company, title/level, exempt vs. nonexempt, and geographic location.

Many organizations standardize on cost-per-message-communicated as a way to compare the efficiency and effectiveness of different programs. This requires taking your employee communications budget and dividing it by the number of messages communicated. Another option is to compare the reach and frequency of message communications in various different vehicles, including e-mail, local media, and internal communiqués. You'll probably want to compare and contrast internal versus external communications vehicles to test the degree to which different media outlets and different tactics are successful in communicating your messages.

The point of measurement is not simply to generate a folder full of charts and graphs. You want to glean insight, draw conclusions, and make recommendations. The idea is to use your hard-won knowledge to improve the effectiveness of what you are doing. Therefore, you want to have results in hand when decisions can be made and steps taken toward improvement.

Set up a regular schedule for reporting and planning. "Last week" is generally when most companies need the results of their benchmarking studies. Realistically, you need to work backward from when the results will do the most good. If you do your planning in July and get results in January, the results are six months too late and you're dealing with very old news. You don't want a message *du jour*, but you do want to engender consistency and continuity, so we recommend benchmarking every 12 to 18 months.

Make Changes to Improve Employee Relationships

One important rule of employee communications is that once you have conducted a survey, employees will expect change to happen. The very act of surveying raises expectations that things will improve or at least change. Getting back to employees after you do the research is especially important, not just with results but with specific changes that you will make or recommend.

So whatever you do, don't keep the data to yourself. Post it on an internal blog or intranet site for everyone to see. While your experts can do the formal analysis, don't be afraid to solicit input, comments, and interpretations from all of your employees. You may want to conduct additional focus groups to explain or interpret data that seems perplexing. As soon as possible, communicate any changes that will be occurring as a result of your research. That way, you ensure participation in future research.