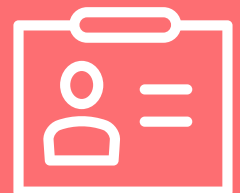


INCREASING ENGAGEMENT AND INSIGHT FROM EMPLOYEE RESEARCH

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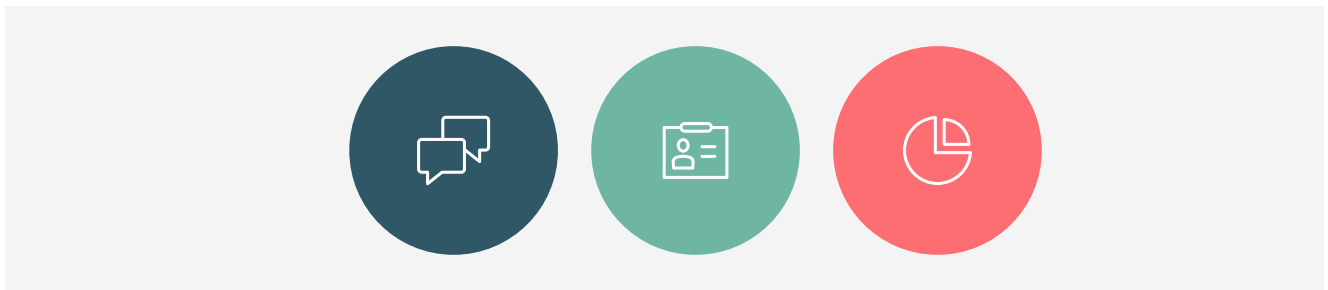


1. EXECUTIVE SUMMARY

Retaining talent, developing staff and ensuring employee engagement have never been more important. Successful engagement requires organizations to create an ongoing dialogue, where they listen to employee feedback, act rapidly on concerns and harness innovative ideas from frontline staff. Consequently, the old employee research model of annual surveys carried out by external HR consultancies is no longer fit for purpose. It is too expensive, too inflexible and makes it difficult for companies to retain control of their data. As today's businesses transform themselves through culture and operational change, employee engagement – and the insight it delivers – has never been more vital.

A new model is emerging, based on powerful, flexible and cost-effective technology platforms, delivered by suppliers that understand market needs. This best-of-breed approach underpins positive change by enabling businesses to regain control of their data, create ongoing dialogue with staff and transforming relationships with employees through more frequent, tailored research.

This whitepaper summarises the problems with current models of employee research and demonstrates the benefits that companies are receiving from new approaches. It also outlines how businesses can get real insight from effective employee research programs now and into the future.



2. THE CURRENT EMPLOYEE RESEARCH MODEL

All organizations understand the importance of engaging with employees to ensure they remain motivated, productive and deliver on business objectives. Consequently, collecting and acting on employee feedback is a central part of the role of HR and internal communications teams.

However, since the 1990s, this has traditionally involved an annual employee survey, based on standard questions and often carried out by an external HR consultancy. Results can take months to collate and turn into useful data, and it can be difficult to gain insight that's relevant to moving the business forward.

This approach – a single, monolithic and costly survey, based on metrics set by an external consultancy – is no longer fit for purpose. While it may gather some valuable information, it is often out of date before companies can act on the findings. Plus, it fails to support ongoing dialogue and is difficult to link to other sources of feedback within the business, such as customer satisfaction surveys.

Organizations understand that they need to change. Insight and ongoing dialogue are at the heart of transforming culture and ensuring that organizational change delivers lasting benefits. As a result, they need to engage with employees more frequently, and use their feedback to make smarter business decisions.

Annual surveys cannot cope with the speed of change in today's world. Employees, particularly Millennials are now more vocal and more willing to give feedback, but standardized annual surveys fail to provide the platform for their voices to be heard. Indeed, they can have the opposite effect – demotivating employees who feel their concerns are not being addressed and who will take their skills elsewhere. Moving to a model that encourages more frequent feedback also helps line managers improve their leadership skills by sharing and developing best practice across the organization.

It is time for a change in employee research, moving away from the annual model, and increasing the frequency of conversations and number of touch points. Technology is now able to provide a flexible, responsive and cost-effective platform that allows organizations to engage with their employees in real-time, spread best practice and use insight to improve business performance. This whitepaper provides a blueprint for change in employee research, showing how it can evolve to meet the current and future needs of organizations and their staff.

3. WHY EMPLOYEE RESEARCH NEEDS TO CHANGE

Employee engagement and retention consistently ranks among the top two CEO concerns in international business surveys. At the same time, companies realise that staff provide critical insight that can be used to drive business improvement. Both of these factors provide HR departments and internal communications teams with the perfect opportunity to demonstrate their strategic importance to the business, transforming them from cost centres to profit centres.

However, they are being held back by traditional engagement models. As Peter Cheese, chief executive of the CIPD, says on the subject of annual surveys, “They fail to improve performance, are too inward-looking and process-driven.” At a time when Millennials want to give and receive feedback much more regularly – four times a week according to Deloitte – the annual model is no longer enough. Organizations need to develop and share best practice on how to meet the needs of employees, equipping line managers with the skills to create deeper engagement that improves performance.

Annual surveys also represent a significant investment. Traditionally, companies work with HR consultancies who project manage the data collection and reporting, interpret the findings and make strategic recommendations based on the results. It is often unclear how much of the research budget is being spent on day-to-day technical project management, and how much goes towards value-added consultancy. Given their skills and the budgets involved, it makes sense for HR consultancy time to be focused on high-level insight, rather than low-level data collection.

In many cases, consultancies benchmark against industry peers, which means adopting standardized questions, rather than drilling down into specific areas that match actual business needs. This makes it difficult to link results to specific business questions, such as how well an organization is coping with change or entering new markets, reducing the usefulness of the entire exercise.

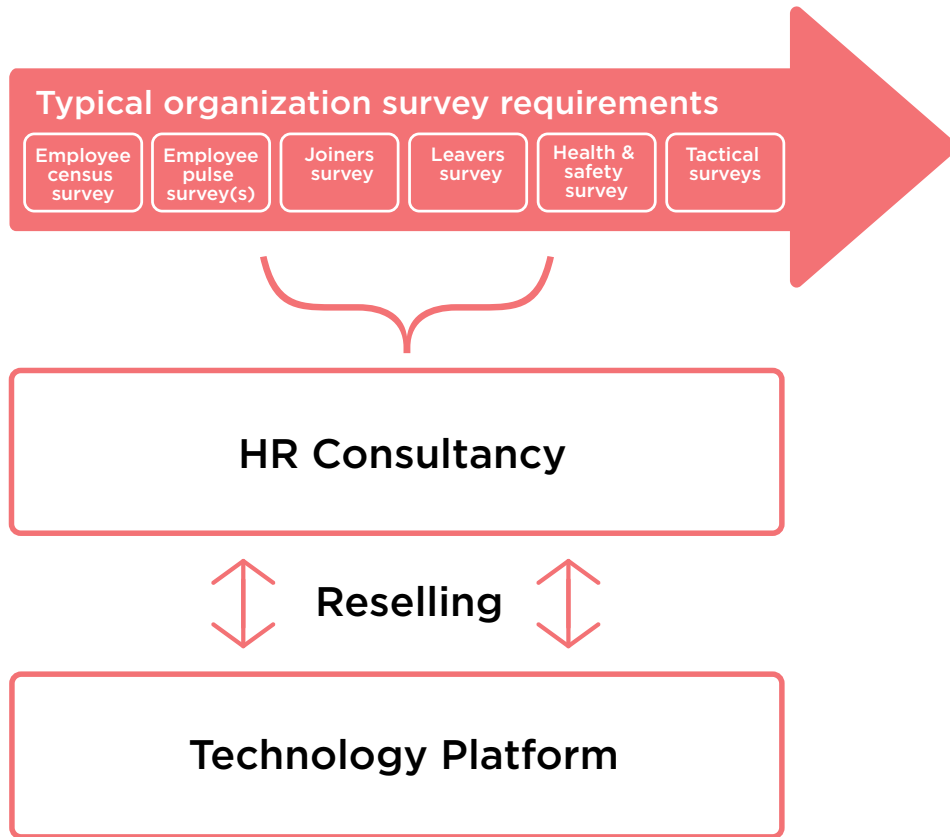
Added to expense and inflexibility, annual surveys consume a great deal of time. Rolling out surveys globally and collecting the results can take months, so that any issues raised or opportunities uncovered risk being missed until it is too late. In today’s competitive markets, waiting 12 months to find out what your employees feel is simply too long. Companies need to create ongoing dialogue with staff to increase understanding and drive closer engagement. Speed is of the essence. After all, employees today are used to the instant feedback that social media delivers.

Regardless of sector, companies also rely increasingly on data to drive their businesses. They need the ability to integrate information from a wide range of sources – such as sales, HR, customer feedback and market research – to gain a holistic view of their operations and identify where they can improve competitiveness. In many cases, employee surveys are conducted independently of other data collection initiatives, with control of the data remaining with the HR consultancy, making it difficult to integrate easily or cost-effectively. Organizations need to have ownership of their data, giving them the power to drive change.

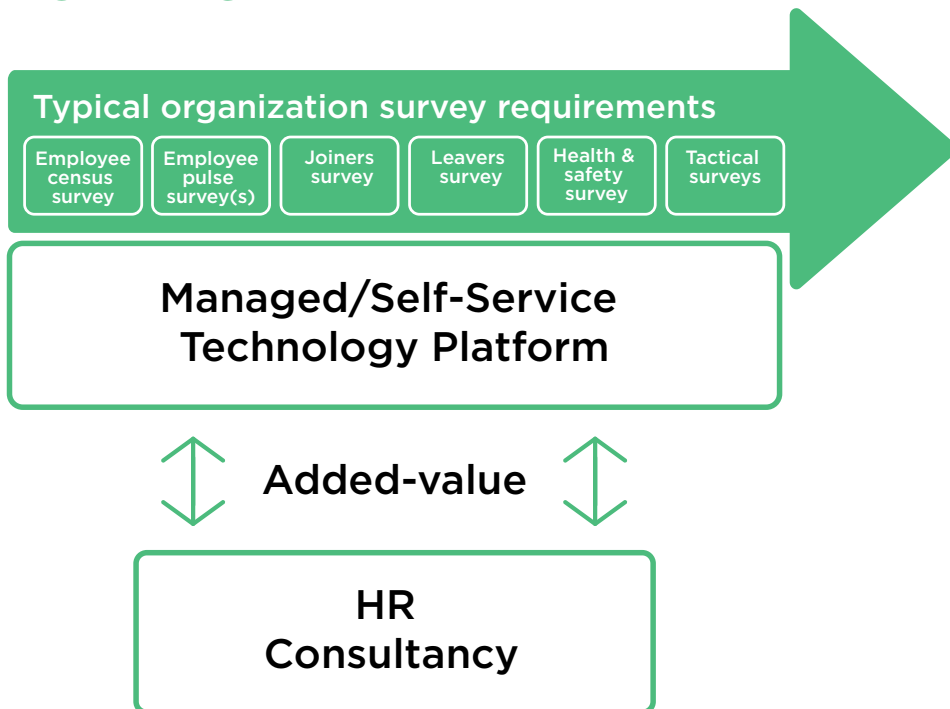
Finally, HR departments and internal communications teams live in a time of shrinking budgets, meaning they have to do more with fewer resources. Taking all these factors into account, it is clear that employee feedback has to change – what are the alternatives and how viable are they?



TYPICAL CURRENT MODEL

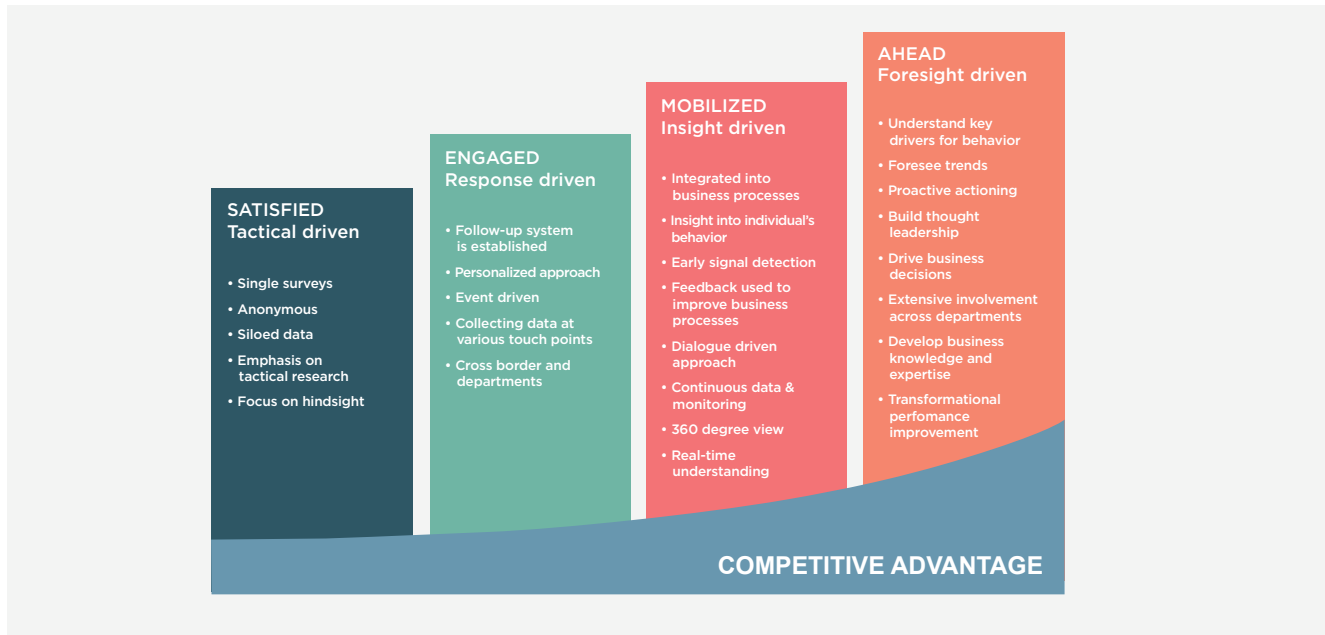


FUTURE MODEL



4. THE EMPLOYEE RESEARCH MATURITY CURVE

Fortunately, there is an emerging alternative to the traditional model. In this new model, technology puts organizations in control of both costs and data, enabling transformation. It gives companies the tools they need to move along the employee research maturity curve, going beyond the annual survey to bring together insight from employees, customers and market research, to drive business change.



The traditional model may be enough for many companies, particularly those operating in slow-moving markets or where engagement has not been an issue. But organizations now have a choice, and should look to the future. Will it be enough to meet their needs in two, five or ten years? By using the maturity curve to deliver a blueprint for future change, they can evolve at a speed that suits them.

Essentially organizations can now adopt a best-of-breed approach, working with a specialist technology provider to manage the planning, collection and analysis of employee data. HR consultancies can be used where they best add value – delivering specialist advice, rather than running technology systems or carrying out day-to-day management.

This transformation is possible because technology, and its providers, have evolved. Organizations can benefit from powerful, easy-to-use platforms that are designed to meet the needs of HR and internal communications teams. These platforms have the flexibility to be tailored to match business structure and objectives, and are provided by companies that understand the HR and feedback markets. They make it easy to collect personalised feedback from employees through whatever means works best,

across all stages of the employee lifecycle and without compromising data protection or confidentiality.

This approach underpins an ongoing dialogue that ensures a detailed understanding of the events that are most influential in engaging or disengaging employees. Annual engagement exercises, scheduled pulse surveys, research after management or structural changes, induction information, regular reviews and exit interviews can all be collected in a single place, allowing them to be easily analyzed and compared, and uncovering key business insights that drive change.

Launching a new survey can take a matter of minutes, giving today's organizations the flexibility and speed they require. Static and interactive data reports are available in real-time, based on predetermined hierarchies. Systems can be set up to prevent over-surveying any particular individual within a specified period of time, and even to draw representative samples of relevant employee groups if required. All of this is possible without compromising respondent confidentiality. It provides line managers with the tools to improve their leadership performance and spread best HR practice.

Moving forward along the maturity curve, this employee feedback can be easily integrated with data from customer experience and market research, enabling businesses to gain a holistic view of their entire operations. According to our research, 36% of companies say they are integrating customer experience and employee engagement research, with an additional 26% planning it for the future. The message is clear. Companies that fail to move along the maturity curve past the single annual employee survey are likely to be left behind in today's competitive markets.¹

ADDRESSING CONCERNS

In any business, deviating from the norm can be daunting. There are three common concerns that can hold organization back – cost, lack of internal resources to support the change, and the loss of benchmarking against similar companies that HR consultancies provide.

Questback's technology is powerful, yet simple to use, and by partnering with a specialist provider there should be no requirement for additional internal resources. Costs will fall, allowing an organization to do more with their budget. In addition, HR and communications staff find that their time is freed. This allows them to use resources to build internal dialogue with employees and gain insight from the

data, rather than manage the platform. Analyzing all of this information may appear overwhelming to leaders and managers, but it shouldn't be. By focusing on what matters to the business, the need for consultancy support and internal analysis time will reduce. Opening a dialogue allows firms to tap directly into how employees are feeling and enables them to build workable solutions to problems based on the feedback of those in the frontline. This delivers improvements in areas such as customer service, efficiency and best practice. Rather than being a large scale, top-down annual event, engagement becomes a cyclical, ongoing process that increases collaboration and underpins cultural change.

While useful, benchmarking can place too much emphasis on external comparisons. Information can be invalid or out of date, and data can be of questionable quality. Having an internal focus helps uncover more valuable insights that are directly relevant to an organization and its priorities, rather than judging against external metrics. Firms are able to develop their own skills and understanding, linked directly to their specific aims and objectives. Again, moving to a single platform doesn't prevent HR consultancies being employed, but allows a company to use them where they will deliver best value. It also ensures that the firm has control over its data.

CASE STUDY

A large international bank is transforming the way it collects and shares information from its global employees. It is building a single, unified platform for employee insight that takes feedback from a wide range of sources and provides analysis on an issues-led basis, in real-time. This insight is providing context for management action across the organization, directly impacting its global people strategy, employer brand management and retention, change communication and cultural transformation. This is helping to create an insight-driven business that values ongoing discussion with its employees.

One example of how greater insight is driving change relates to staff turnover. Using exit

interview data, the bank identified all employees who had voluntarily left the organization during the previous year. By looking at the differences between the previous year's employee survey data for those who had chosen to leave and those who stayed, it was clear that employee engagement was a key predictor of actual future turnover. Furthermore, it was able to identify the main factors driving turnover within key populations such as high performers, and the specific drivers of turnover in key employee segments such as graduates in emerging markets. Using this information, the bank was able to put in place specific programs to retain key groupings of staff as well as improve its employer branding to better attract new talent in key areas.

¹.Source: 2014 Questback Enterprise Feedback Survey
<http://www.questback.com/resource/integrating-customer-and-employee-feedback>

5. CONCLUSION

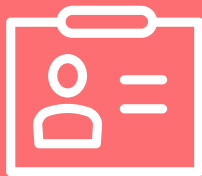
Employee research has to change if companies are to attract and retain talent, and keep staff engaged and motivated. Moving away from the old annual survey model creates an ongoing dialogue with staff to deliver strategic insight that drives business change, while adding flexibility and reducing costs. Organizations are increasingly recognising that it is the quality and frequency of employee interaction that can make the biggest difference. Action from an annual survey will often come too late to make a difference to a situation that may have originated months before.

Given these pressures, it is time for companies to reassess how they conduct and benefit from employee research. Technology has evolved and can enable this change - increasing the amount of time and resources that companies dedicate to strategic insight rather than data collection or consultancy management. By tapping directly into what employees are thinking, the business has control of its own data and can integrate it with customer and market research to uncover powerful insights that underpin business change. Rather than outsourcing the entire employee research program to an HR consultancy, organizations should adopt a best-of-breed approach, working with a technology provider that understands their needs and can deliver an easy-to-use, cost-effective and flexible platform that lets them link feedback to business objectives.

Questback has worked with leading organizations helping them move along the maturity curve for employee research. The combination of our in-depth experience in employee engagement, partnership approach and powerful technology is giving companies a better understanding of their employees. Our global professional services team works with clients of all sizes, delivering tailored solutions that help you solve your business challenges. You can leverage best practice expertise from consultants who have worked extensively in the HR, communications and market research industry.

Our customers are able to use this insight to drive business competitiveness, react to market changes and ensure that employees are engaged, productive and loyal. To learn more about how Questback can help you increase engagement and insight from employee research, please visit www.questback.com





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About Questback

Questback is a global leader in enterprise feedback management technology, helping organizations transform employee engagement and increase business performance through greater insight and understanding. We work with companies across the globe to support them to change their cultures, increase staff and customer engagement, improve sales and meet challenging corporate objectives.

Founded in 2000, Questback is headquartered in New York and privately held with 19 offices worldwide. It is the feedback management platform of choice for thousands of companies, including some of the most successful brands in the world such as Coca Cola, Nespresso, Volvo and many more.

