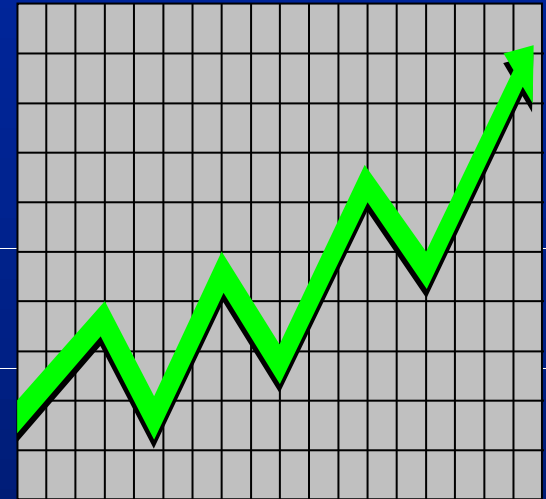
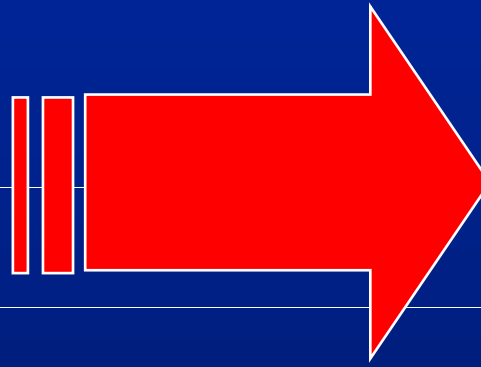
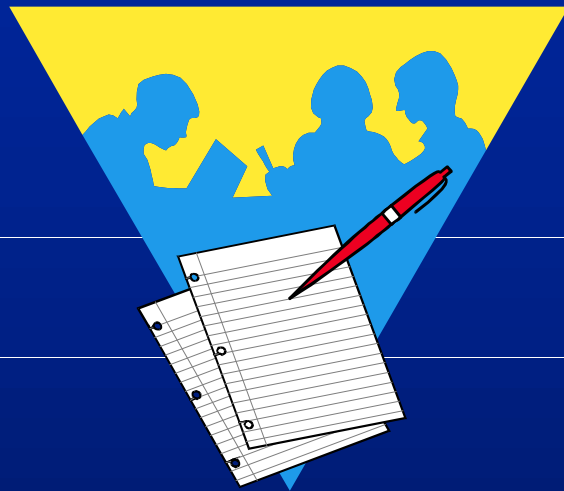




IPMA ASSESSMENT COUNCIL CONFERENCE ON PROFESSIONAL PERSONNEL ASSESSMENT



Using Employee Survey Results
to Drive Organizational Performance

June 23, 1997



Key Principles for Successful Employee Survey Programs

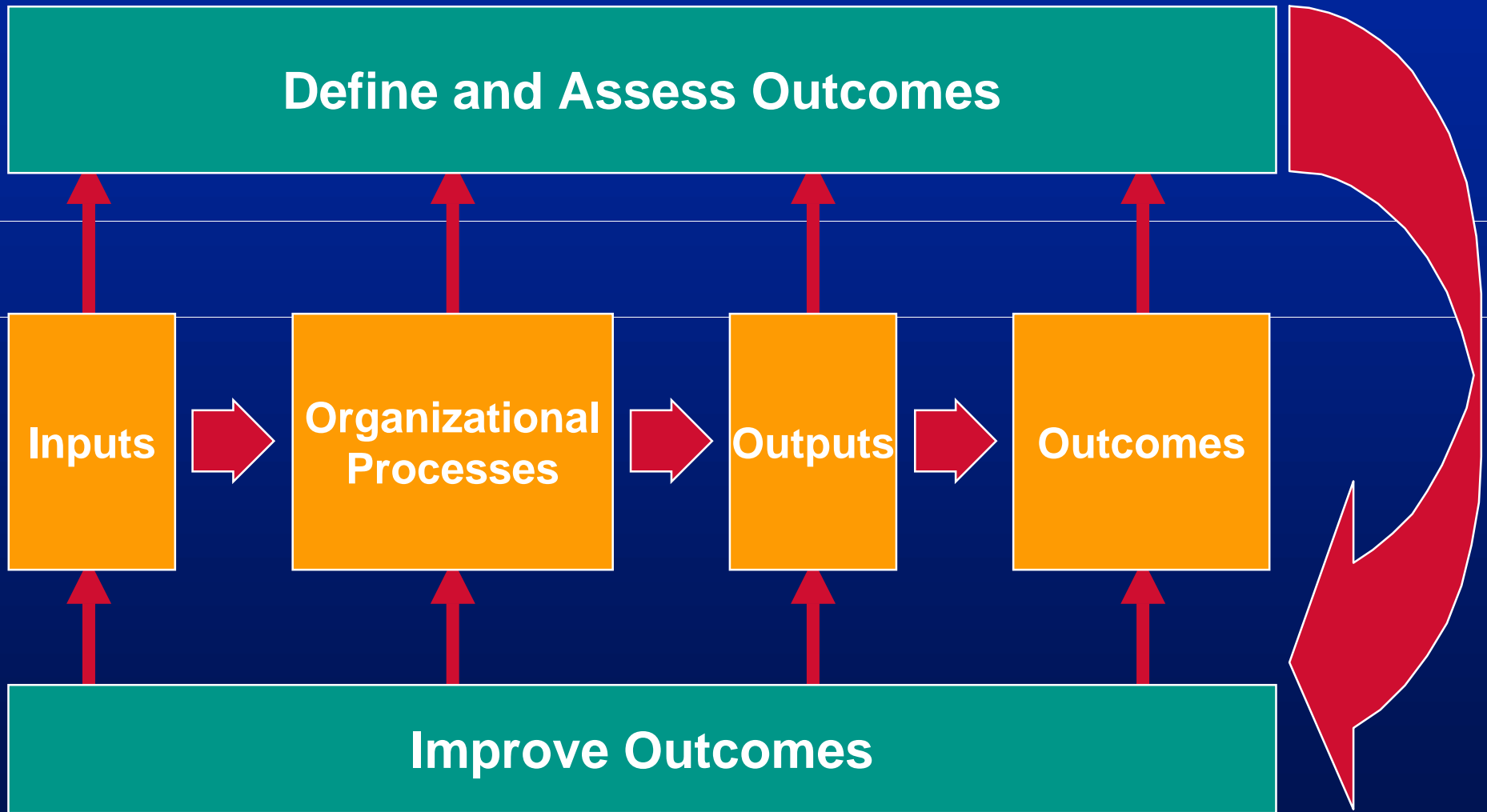
- ❑ Top leadership commitment and involvement
- ❑ Tailored to organization's issues
- ❑ Normative comparisons (internal/external)
- ❑ Quantitative/qualitative information
- ❑ Involvement by key parties in all phases
- ❑ Output is understandable and actionable at relevant organizational levels
- ❑ Focused on key set of priorities
- ❑ Repeated at regular intervals (not "one-time event")
- ❑ *Linked to organizational strategy and outcomes*



Overview

- ❑ **Background: Linking Employee Perceptions to Organizational Performance**
- ❑ **Case Study: A Government Agency**
 - ❖ **Organizational Assessment Survey and Selected Performance Measures**
 - ❖ **Steps in the Analysis**
 - ❖ **Selected Results**
 - ❖ **Using Results to Support Decision-Making**
- ❑ **Further Research**
- ❑ **Conclusion**

Building High - Performance Organizations



Linking Employee Perceptions to Organizational Performance

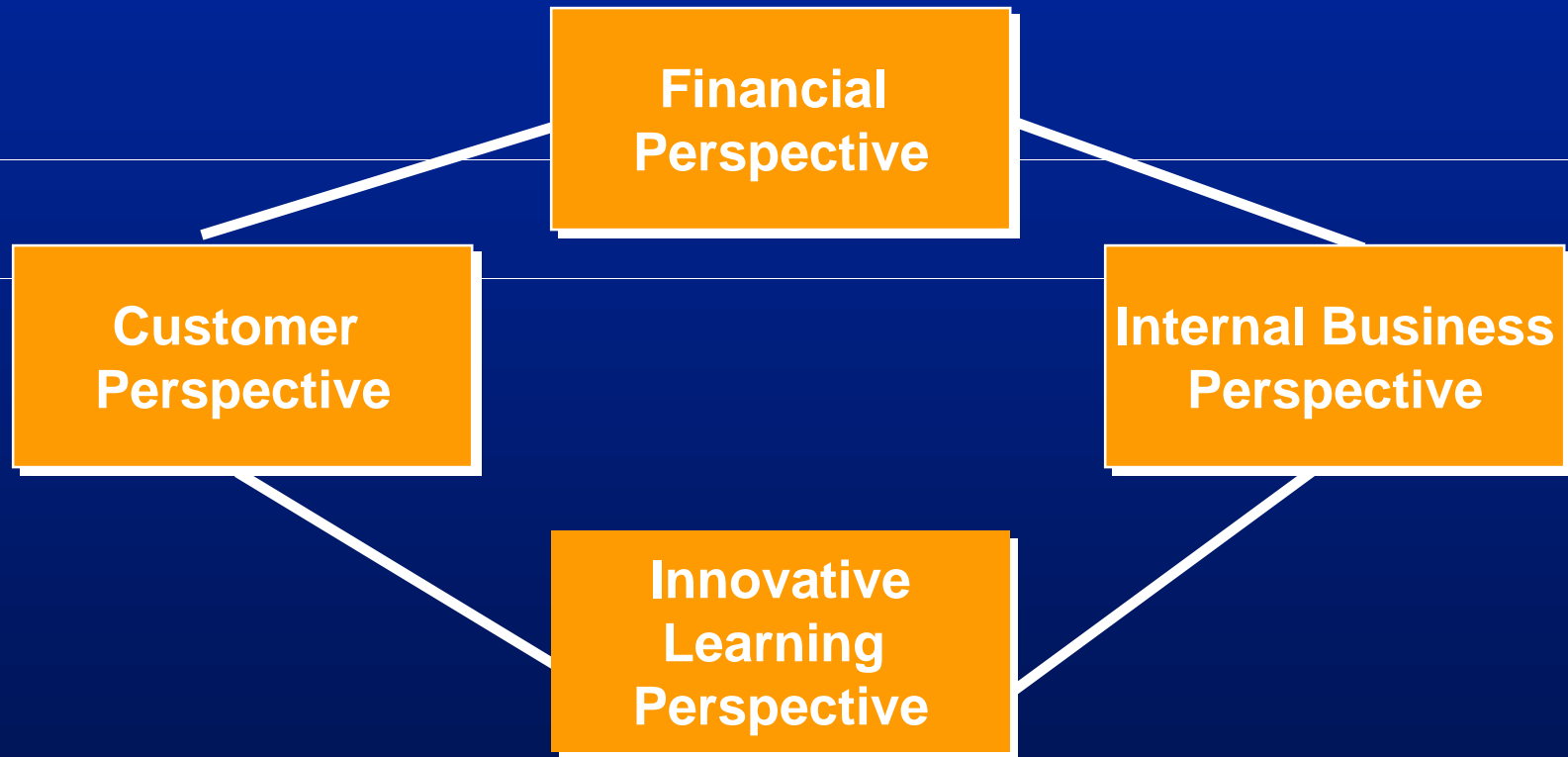
- ❑ Purpose: Link survey results to objective and external measures of performance.
 - ❖ “Identify those elements - as described by employees- that correlate, or link, to critically important organizational outcomes such as customer satisfaction / service and business performance.”
 - ❖ Wiley, J. W., 1996
- ❑ Using the linkages: Prioritizing organizational issues and focusing action planning.
 - ❖ “....these data focus efforts not only on issues of immediate importance but away from issues that appear less critical.”
 - Schneider, B., et al., 1996

Employee Perceptions are Meaningful



Employee perceptions are excellent indicators of performance, even when performance is measured external to employee survey

Balanced Scorecard Model





Illustrative Research in Corporate Environments

Company	Findings
NCR (Ulrich, Et Al., 1991)	Employee perceptions linked to objective performance measures
Ford Motor Credit Company (Johnson, Ryan, & Schmit, 1994)	Employee perceptions linked to: Customer satisfaction, turnover, and business performance
Allstate Insurance Company (Schneider, B., Et. Al., 1996)	Time lagged r's (over 4 quarters) support causal interpretation of employee survey / org. performance linkage



Demonstrating Employee Survey – Performance Relationships in Government Settings:

- ❑ **Consistent with best practices in survey development (traditional “attitudes” → strategically linked to mission, goals, objectives)**
- ❑ **Allows for targeting internal improvements tied to expected gains in performance**
- ❑ **Valuable in responding to Government Performance and Results Act (GPRA) and National Performance Review (NPR) in tracking and improving performance**
- ❑ **Improve public perception of Government programs and policies**

Changing Focus in Survey Item Content

Individual Focus

Organizational Focus

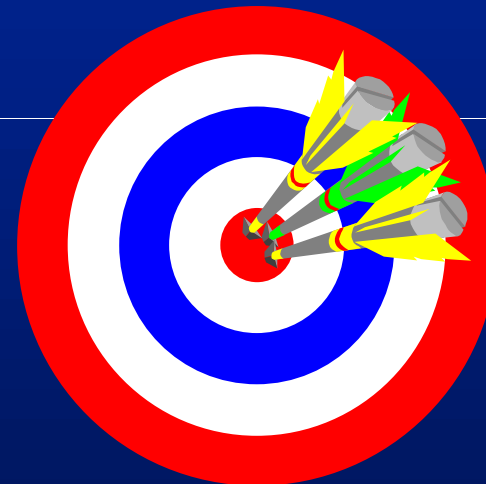
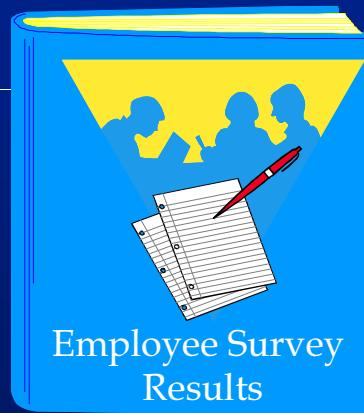
Traditional Items	Strategically Linked Items
How satisfied are you with the training you received for your present job?	Employees receive training and guidance to develop the knowledge and skills necessary to perform other jobs or to pursue new careers
How satisfied are you with the service that you provide to your customers?	Employees use suggestions from their customers to improve the quality of products and services
I am satisfied with: My physical working conditions	Employees are protected from health and safety hazards on the job

Feelings and Attitudes

Perceptions and Observations

Case Study: A Government Agency

- ❑ **Project purpose: Explore relationships between employee survey results and key aspects of performance**



- ❑ **Baseline results (Spring 1996)**
- ❑ **High-performance dimensions**

- ❑ **Organizational Performance Measures**
- ❑ **Customer Service Surveys**

Organizational Assessment Survey (OAS)

Dimensions

- ❑ Innovation
- ❑ Serving the public and mission objectives
- ❑ Strategic direction
- ❑ Rewards and recognition
- ❑ Training/career development
- ❑ Fairness and treatment of others
- ❑ Communication
- ❑ Employee involvement
- ❑ Use of resources
- ❑ Work environment/quality of worklife
- ❑ Work and family/personal life
- ❑ Teamwork
- ❑ Job security/commitment to workforce
- ❑ Performance measures
- ❑ Diversity
- ❑ Supervision

Organizational Assessment Survey (OAS)

- ❑ Administered to workforce in April-May, 1996
- ❑ Surveys received from 8,388 employees (4,426 analyzed at the targeted organizational level)
- ❑ Scores used:
 - ❖ 16 dimension scores (106 individual items)
 - ❖ 2 satisfaction items (with job and with organization)





Selected Performance Measures

- ❑ Monthly data available for 42 organizational units from October 1994 through December 1996
- ❑ Use data reported between October 1995 through September 1996 (provides two equivalent windows of 6 months surrounding OAS administration)
- ❑ 11 measures selected covering core processes of:
 - ❖ Compliance
 - ❖ Customer Processing
 - ❖ Regulation
 - ❖ Financial Management

Selected Performance Measures

Compliance

Workload

- ❑ Total number transactions per employee (Type 1)
- ❑ Total number transactions per employee (Type 2)

Effectiveness

- ❑ Compliance Rate (%)

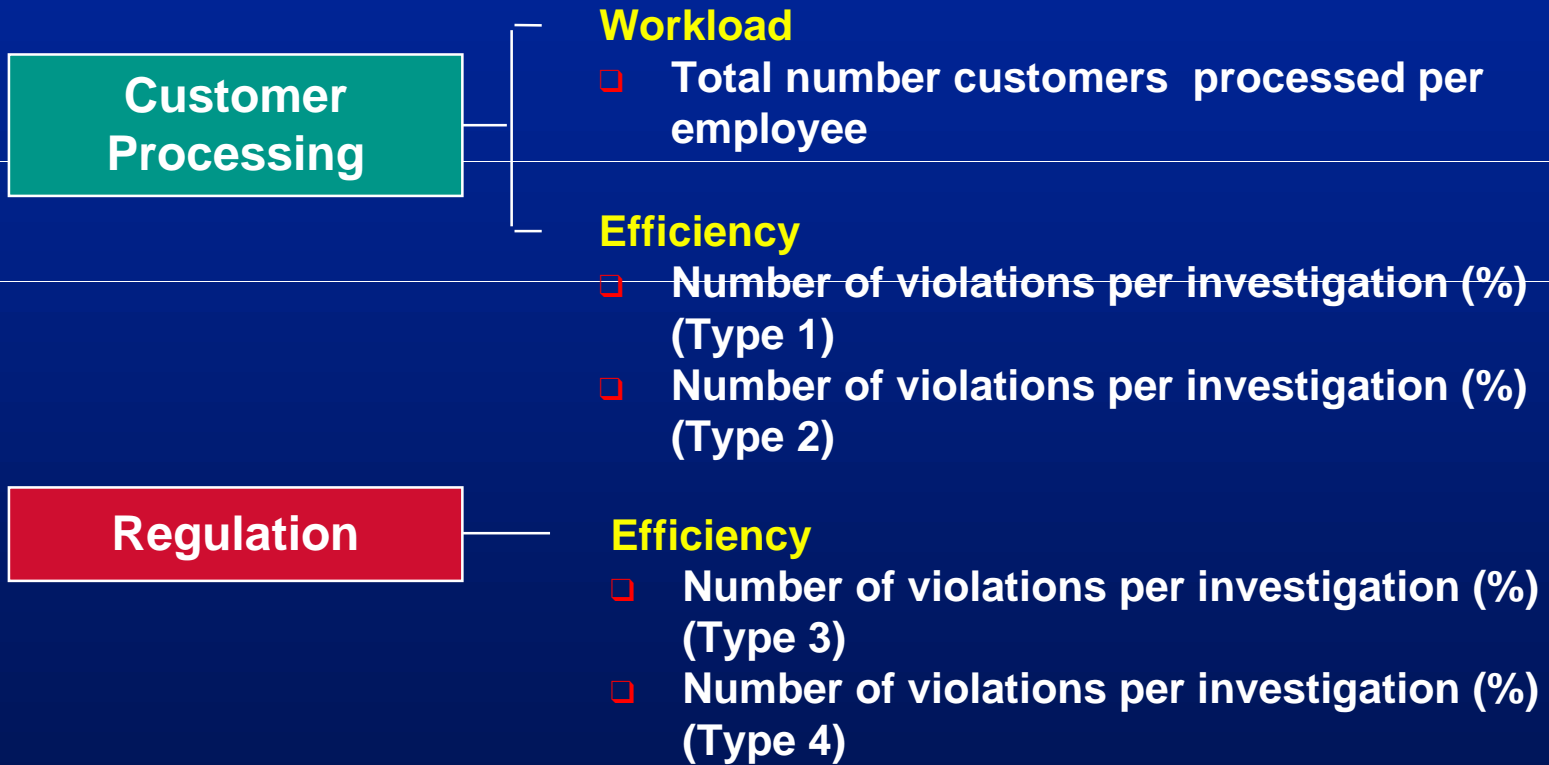
Efficiency

- ❑ Non - Compliance Rate (%)

Customer Service

- ❑ Ratio of unresolved complaints (more than 1 year) to total complaints filed

Selected Performance Measures (continued)





Selected Performance Measures (continued)

**Financial
Management**

Customer Service

- ❑ **Total number outstanding invoices >45 days
per # total invoices**

Steps in the Analysis

- ❑ **Step 1: Merge OAS and performance measure databases**
 - ❖ **Aggregate and match data using 42 organizational units as unit of analysis**
- ❑ **Step 2: Compute descriptive statistics**
 - ❖ **Mean, SD, range, quality check**
- ❑ **Step 3: Examine OAS-performance measure relationships**
 - ❖ **Scatter plot diagrams**
 - ❖ **Pearson correlations**

Selected Results: OAS Descriptive Statistics (42 Organizational Units)

OAS Dimension	Mean	Std Dev	Range	
Innovation	3.06	0.25	2.63	3.94
Serving the Public and Mission Objectives	3.09	0.20	2.84	3.86
Strategic Direction	2.82	0.24	2.39	3.60
Rewards & Recognition	2.76	0.23	2.25	3.46
Training and Career Development	2.80	0.24	2.34	3.50
Fairness & Treatment of Others	2.78	0.23	2.42	3.31
Communication	2.99	0.25	2.59	3.69
Employee Involvement	2.90	0.21	2.54	3.36
Use of Resources	2.96	0.21	2.62	3.72
Work Environment/Quality of Worklife	2.84	0.33	2.26	3.83
Work & Family/Personal Life	3.19	0.28	2.63	4.12
Teamwork	3.03	0.26	2.59	3.94
Job Security/Commitment to Workforce	2.94	0.20	2.34	3.48
Performance Measures	2.91	0.21	2.42	3.66
Diversity	3.21	0.22	2.81	3.71
Supervision	3.07	0.21	2.63	3.58

Selected Results: Performance Measures Descriptive Statistics

Performance Measure	N	Mean	Std Dev	Range	
Total number transactions per employee (Type 1)	42	147.23	112.14	13.04	488.63
Total number transactions per employee (Type 2)	29	84.50	70.66	0.06	274.06
Compliance Rate (%)	41	86.72	6.67	69.49	95.19
Non - Compliance Rate (%)	41	14.60	6.89	1.55	31.05
Ratio of unresolved complaints (more than 1 year) to total complaints filed	38	0.53	0.60	0.00	2.52
Total number customers processed per employee	42	706.53	342.76	8.79	10939.00
Number of violations per investigation (%) (Type 1)	37	0.37	0.39	0.00	1.45
Number of violations per investigation (%) (Type 2)	15	0.19	0.19	0.00	0.53
Number of violations per investigation (%) (Type 3)	41	0.002	0.002	0.00	0.01
Number of violations per investigation (%) (Type 4)	41	0.003	0.01	0.00	0.05
Total number outstanding invoices >45 days per # total invoices	42	0.001	0.01	0.00	0.04

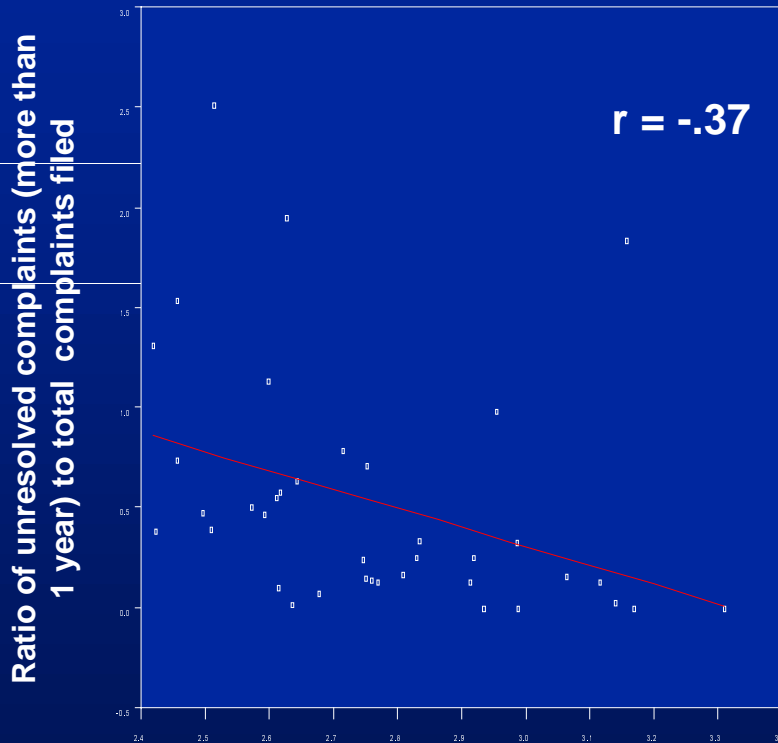
Selected Results: Correlations of Performance Measures with OAS Dimensions



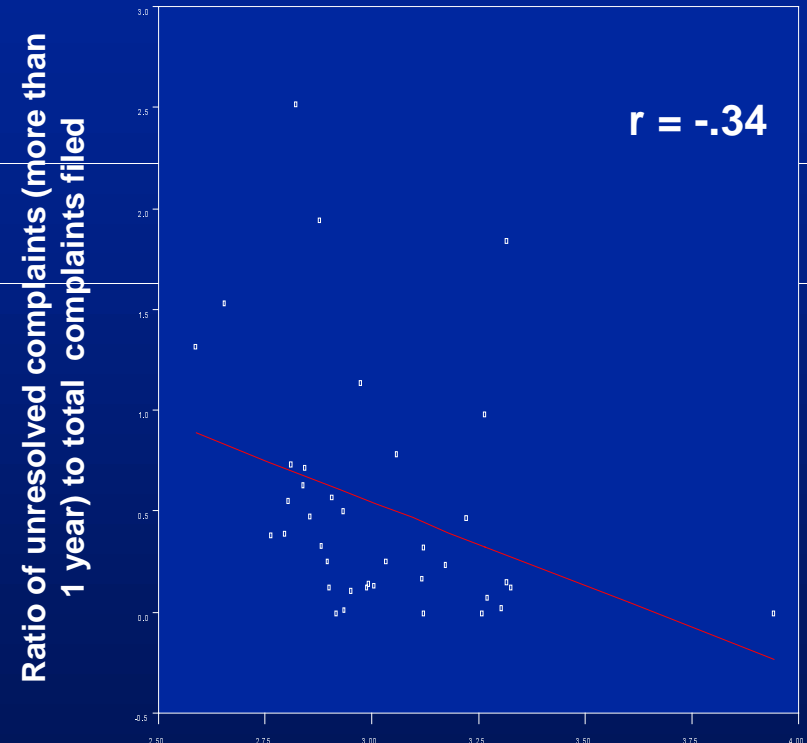
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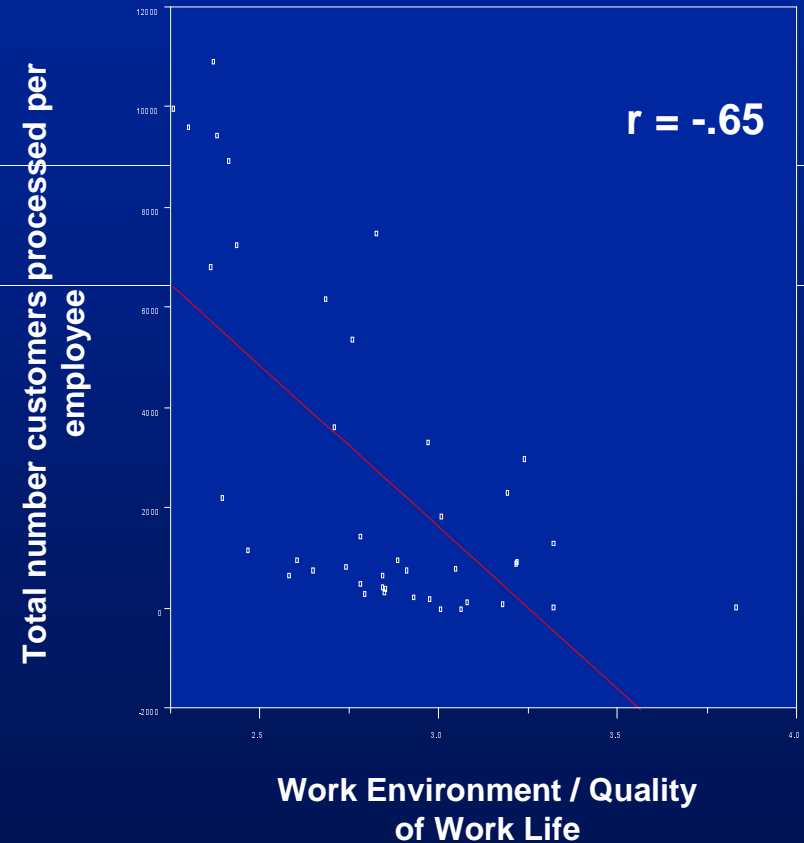
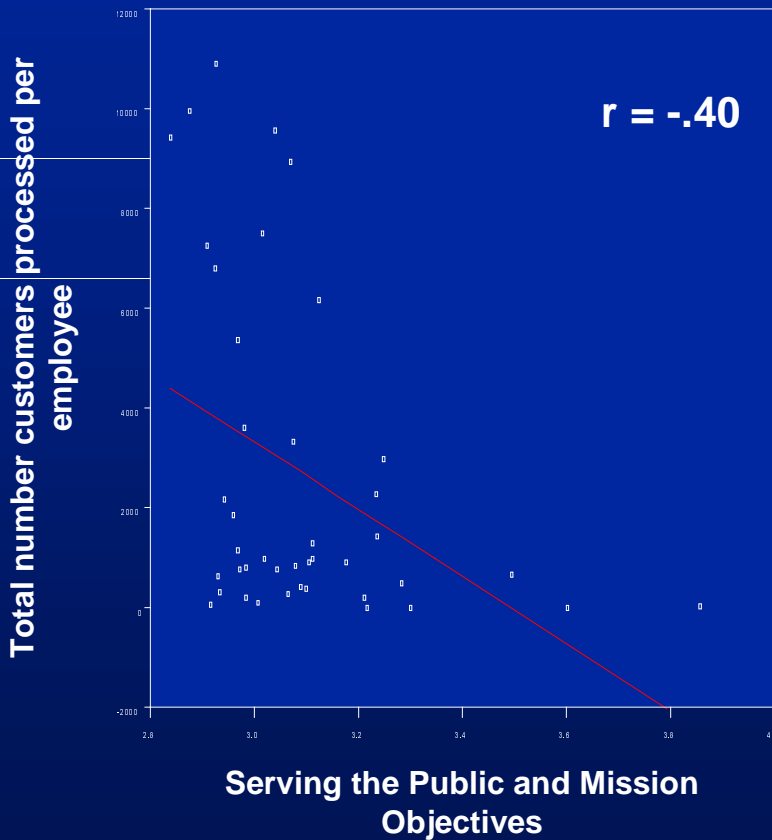


Fairness & Treatment of Others



Teamwork

Selected Results: Correlations of Performance Measures with OAS Dimensions



Selected Results: Correlation Matrix

	Total number transactions per employee (Type 1)	Total number transactions per employee (Type 2)	Compliance Rate (%)	Non-Compliance Rate (%)	Ratio of unresolved complaints (more than 1 year) to complaints filed	Total number customers processed per employee	Number of violations per investigation (%) (Type 1)	Number of violations per investigation (%) (Type 2)	Number of violations per investigation (%) (Type 3)	Number of violations per investigation (%) (Type 4)	Total number outstanding invoices >45 days per # total invoices
Innovation	.08	-.33	-.14	.16	-.22	-.28	-.17	.12	-.06	-.19	-.22
Serving the Public/Mission/Objectives	-.12	-.49	-.27	.16	-.22	-.40	-.18	-.10	-.06	-.08	-.12
Strategic Direction	.04	-.46	-.15	.13	-.29	-.25	-.17	.11	-.02	-.20	-.23
Rewards & Recognition	-.03	-.27	-.05	.12	-.32	-.27	-.22	-.05	-.04	-.14	-.35
Training and Career Development	-.02	-.44	-.12	-.01	-.25	-.28	-.26	.30	-.12	-.14	-.30
Fairness & Treatment	-.02	-.02	.00	.08	-.37	-.07	-.23	.09	-.08	-.18	-.07
Communication	.06	-.34	-.23	.16	-.24	-.24	-.22	.17	-.10	-.24	-.25
Employee Involvement	.09	-.34	-.15	.14	-.30	-.32	-.19	.01	.01	-.24	-.24
Use of Resources	-.08	-.39	-.28	.20	-.23	-.35	-.17	.00	-.14	-.22	-.08
Work Environment/Quality of Worklife	.00	-.05	-.35	.35	.00	-.65	-.08	.24	-.06	-.24	-.20
Work & Family/Personal Life	.07	-.07	-.24	.26	-.12	-.63	.00	.39	.01	-.33	-.18
Teamwork	-.01	-.27	-.05	.07	-.34	-.34	-.17	.18	.04	-.18	-.21
Job Security/Commitment to Workforce	.12	-.17	-.25	.18	-.06	-.30	.00	.09	-.07	-.25	-.47
Performance Measures	.05	-.33	-.05	.06	-.10	-.24	-.01	-.03	.04	-.07	-.36
Diversity	.07	-.13	-.15	.15	-.29	-.36	-.15	.17	-.02	-.25	-.27
Supervision	.04	-.22	-.16	.13	-.31	-.18	-.20	.35	-.07	-.35	-.25
Job Satisfaction	-.25	-.22	-.11	.04	-.36	-.17	-.27	-.25	.00	-.08	-.13
Organizational Satisfaction	-.04	-.33	-.18	.04	-.26	-.17	-.27	-.37	-.08	-.11	-.22



Summary of Results

- ❑ **Employee perceptions relate to some aspects of organizational performance**
 - ❖ **# of significant correlations is relatively few, but patterns of relationships are consistent**
 - ❖ **More favorable employee perceptions coincide with:**
 - **Lower workload, better customer service, and greater financial controls**
 - ❖ **Little/no relationship observed with violations measures**



Summary of Results (continued)

- ❑ **Most salient survey dimensions related to performance are concerned with:**
 - ❖ **Work Environment/ Quality of Worklife**
 - ❖ **Work & Family/Personal Life**
 - ❖ **Serving the Public/Mission Objectives**
- ❑ **Evidence to support use of dimension-linked item content vs. traditional attitude item content (e.g., job satisfaction)**
- ❑ **Correlation does not imply causal relationships**



Summary of Results (continued)

- ❑ **Relationship patterns between employee perceptions and performance measures are logical:**
 - ❖ **Workload related to: Serving the Public/Mission Objectives, Use of Resources, Work Environment/QWL, and Work & Family/Personal Life**
 - ❖ **Customer Service related to: Fairness and Treatment of Others, and Teamwork**
 - ❖ **Financial Management related to: Rewards & Recognition, Job Security/Commitment to Workforce, and Performance Measures**

Using Results to Support Decision-Making

- ❑ Identify survey issues with potential for greatest impact in improving specific area of performance
 - ❖ Focus on making improvements at level of individual survey items
- ❑ Provide for Internal benchmarking among organizational units to share “best practices”
- ❑ Track incremental improvement in performance made from corresponding gains in future survey administrations

Using Results to Support Decision-Making: Example of focusing on individual items

- ❑ **Use items to guide and prioritize your action planning:**
 - ❖ **Performance Measure: Ratio of unresolved complaints (more than 1 year) to total complaints filed**
 - ❖ **Dimension: Fairness and Treatment of others**
 - ▶ **Employees treat others with respect ($r = -.33$)**
 - ▶ **Disciplinary actions are applied fairly to employees ($r = -.37$)**
 - ▶ **The distribution of work among employees is fair ($r = -.37$)**



Further Research

- ❑ **Propose and test specific models linking employee perceptions to organizational performance**
 - ❖ **Less exploratory and more confirmatory approaches**
 - ❖ **Moderator analyses**
- ❑ **Use more sophisticated research designs supporting causal interpretations (inputs, processes, outputs, and outcomes)**
- ❑ **Build databases containing employee perceptions and organizational performance measures (meta-analysis)**
- ❑ **More research linking individual, group, and organizational measures of performance**

Linkage Research Model



Source: Wiley, J. W., 1996



Conclusion

“What employees observe and perceive about their work climate can be important factors in creating and sustaining a high-performing organization.”