

Using the employee satisfaction survey as a tool for building organizational culture

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Abstract

There is a strong relationship between employee satisfaction and organizational results and using an employee surveys effectively could support quality improvements and organizational culture. The purpose of this paper is to present an employee satisfaction survey designed to change organizational culture and co-worker behaviors. Included in the analysis are results from that survey focusing on culture and leadership. The results show that asking a different kind of questions in an employee satisfaction survey and analyzing the results in more detail could give an organization a management tool to be used both to monitor and to build organizational culture.

Keywords: Lean, employee satisfaction survey, organizational culture

Introduction

It has been concluded by many researchers that there is a strong relationship between employee satisfaction and organizational results (Heskett et al., 1997, Harter et al., 2002 and Chi & Dogan 2009). The employee satisfaction survey is one management technique that is frequently used to measure co-worker satisfaction and engagement with the intent, among others, to identify needed areas of improvement (de Waal 2014). Heartley (2001) states that an employee satisfaction survey can be used as an assessment tool to identify the current status of the organization, as well as a tool for creating cultural change, including new attitudes, behaviors and ways of working among co-workers. This is important in many quality development initiatives, such as Lean, in which cultural change is considered a critical factor for success (Liker, 2004, Bhasin & Burcher, 2006 and Achangea et al., 2006). The employee satisfaction survey can be seen as part of a “soft” measurement system, to examine the existing culture before applying Lean as well as a complement to “hard” measurements when measuring the effects of applying Lean.

De Waal (2014) claims that employee surveys do not always lead to the benefits that could be expected, pointing out four problems with the surveys: 1) the lack of acting on

the results from the management side, 2) measuring things that the management are unable to act upon thus giving false hopes, 3) the surveys being either too short or too long, and 4) often too big a focus on internal employee satisfaction, ignoring the need to measure the connection “*between employees’ opinions and how these affect the execution of the organization’s strategy*” (ibid pp 229). Using employee surveys effectively to support quality improvements and organizational culture is an area that warrants further investigation.

The purpose of this paper is to present an employee satisfaction survey designed to change organizational culture and co-worker behaviors. Included in the analysis are results from that survey focusing on culture and leadership.

Organizational culture and Lean

Organizational culture is a universal factor which affects almost every aspect of organizational interactions (Henri, 2006). According to Pinder (1998), organizational culture consists of the shared beliefs, norms, values, knowledge, and tacit understanding held by members of an organization or organization subunit. O’Reilly et al. (1991) even argue that shared values are the very essence of organizational cultures and that a strong culture cannot be said to exist if there is not a large agreement that a limited set of values is important in a social unit. According to Chatman & Eunyoung Cha (2003), relying on formal rules, policies and procedures will not result in outstanding customer service, innovation or quality. Instead the co-workers need to act according to a value base when challenged by a situation that could not be anticipated and solve this for the customer in a way that gives an extraordinary experience (ibid).

The organizational culture is pointed out as a critical factor by many researchers when it comes to applying QM initiatives such as Lean and TQM, and the failure to focus on culture is often mentioned as one of the main reasons for not succeeding (see e.g. Kotter, 1996; Achanga et al., 2006 and Green, 2012). Looking at Lean, the focus was put on implementing the tools when it first became known in the west, i.e. focusing on continuous improvement and reducing cost (Drew et al., 2004). Later, the need for organizational culture change was voiced, as many manufacturers fail to fully apply Lean, especially in the area of cultural change (Yamamoto & Bellgran, 2010 and Bhasin & Burcher, 2006). The leaders adopt the tools and think that this will be enough to implement Lean in an organization (Yamamoto & Bellgran, 2010), missing the understanding of the role organizational culture has in forming organizational practice (Achanga et al., 2006; Basin and Burcher, 2006; Hines et al., 2004). Despite the growing understanding that values and organizational culture are of importance in order to successfully implement Lean, Peter & Lanza (2011) show that the main motives for applying Lean are cost reduction, fewer defective parts and improvement of delivery reliability. When in fact, implementing Lean needs a deep cultural transformation rather than simply applying a set of Lean tools (Liker, 2004). Different researchers have defined different values and principles as the fundamental ingredients of Lean (see e.g. Liker, 2004; Womack & Jones, 2003 and Emiliani, 2010). Womack & Jones (2003) defined five principles of Lean and Liker (2004) describes Lean through 14 principles divided into four parts of a pyramid. According to Emiliani (2010) the two main principles or values ‘continuous improvement’ and ‘respect for people’ are needed in order to achieve “real Lean” in contrast to “fake Lean” that emphasizes on continuous improvement. Emiliani (2010) further states that “*Your greatest challenge in Lean management will be to practice and deepen your understanding of the “respect for people” principle*” (ibid p 53). This principle is usually ignored by senior management and this is something that needs to be corrected (Emiliani, 2013).

Changing the organizational culture

According to Al-Najem et al. (2012), organizations cannot succeed with Lean without a healthy culture, skilled co-workers, a strong leadership and a top management that understand and have bought the concept. The leaders are important players when it comes to creating a strong organizational culture. In fact, according to Schein (2004), culture creation and management are the essence of leadership. How the leader acts and behaves influences the attitudes and behaviors of the rest of the employees hence the leaders have great influence on which culture will be predominant in the organization (ibid). Alvesson (2002), states that one of the key roles for a leader is to make sure that all employees understand the values underlying the organizational culture. According to Poksinska et al. (2013), building a supporting culture and system that guides the behavior and thinking of the employees is an important factor for accomplishing a sustainable Lean initiative. This in turn influences the leader's role as their most important task is to influence co-workers and this requires strong transformational leadership skills and behaviors (ibid). According to Dombrowski & Mielke (2013), a Lean leader can promote a better improvement culture through being a role model for his or her employees and according to Spear (2004), the values of Lean can be reflected in four lessons where the fourth is "managers should coach not fix". In an organization that has implemented Lean the role of managers changes from managing processes to managing people, focusing on motivating, coaching and developing individuals and teams (Poksinska et al., 2013). The Lean leaders pay considerable attention to employees' needs and their development and their managerial work is focused on creating a learning and facilitative work environment (ibid).

According to Kotter's (1996) eight stages for effective change management, one is empowering others to act on the vision by changing structures, systems, policies, and procedures in ways that will facilitate implementation. This indicates the need for not only working with a sense of urgency, creating a vision and prioritizing communication but also having a work structure to support the change.

Measuring the soft side, using the employee satisfaction survey

Even though organizational culture is stressed as an important factor, most of the evidence presented on the connection between Lean and success is largely based on hard measures. Bhasin & Burcher (2006), list a number of studies where Lean initiatives have been successful and the evidence of this success is solely focused on hard measurements. The measures listed were, amongst others, reduction of lead-time, inventory and cost (ibid). According to Kollberg et al. (2006), when adopting the values of Lean it is important to design a measurement system that will reflect the initiatives taken. A strong relationship between the soft factors and company performance was shown by Abdullah et al. (2008), a finding reinforced by Bäckström et al. (2012). Therefore, measuring organizational behaviors and organizational changes seems to be needed as a compliment to the traditional measures, that is, the softer sides of Lean (Ingelsson, 2013). Bitici et al. (2006) found in a multi-site case study a strong correlation between performance measurement and organizational culture, suggesting that the kind of performance measure used in an organization shapes behavior and attitude. In addition, Dahler-Larsen (2014) claims that the language in the indicators also is important since it influences how people give meaning to the performance measures. How the questions are worded can also influence behaviors. Levav & Fitzsimons (2006) showed in a study that a person who was asked about their intention to engage in a behavior was more likely to enact the behavior.

Using an employee satisfaction survey can be seen as one soft measure which is broadly used in different kinds of organizations. Hartley (2001) even claims that it is one of the most important management improvement techniques. According to Wiley (2012) the employee survey has been popular for many years and its use is increasing, which means that many co-workers are used to filling in these kinds of surveys. Even though there are some problems attached to how the employee survey is used, it has the potential to be a power tool for change management if developed and implemented appropriately (ibid). Using a survey tool gives an overview about a topic at any point in time, take little time for co-workers to complete and they are simple to manage (Snyder et al., 2015). However, they tend to leave researchers and organizational leaders with more questions to answer if they want to fully understand the system (ibid).

Methodology

In 2015, a project was initiated through financing from the Knowledge Foundation to explore how quality can be enhanced in Swedish businesses by developing an internal coaching process to support value-based leadership that integrates company values, organizational culture, customer needs and sustainable development. The three-year project is a research and development partnership with three Swedish manufacturing companies and Mid Sweden University. During year one, base-line data was collected to understand and describe the culture and the leadership in the three participating companies. The three companies’ employee satisfaction survey was used as a part of the base line data collection.

One of the companies wanted to change their culture from what they perceived as passive to a more active co-workmanship as well as developing their leadership to a more coaching style of leadership. The “values continuous improvement” and “respect for people” were also given as a base for the change in culture. The company had worked with applying Lean via the national initiative, “the Production Leap” (Produktionslyftet), and focused mainly on getting the structure for breaking down and following up of objectives and results as well as working with continuous improvement in place. For instance, they had implemented daily planning with morning meetings with all the different departments as well as with the management group. The common understanding was that the company had emphasized and was good at building structures and they wanted to move their effort towards culture building via working with behaviors and thoughts (see Fig 1).

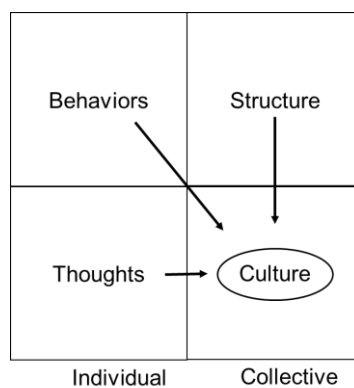


Figure 1. The culture model used by the company

One of the ways they wanted to address the work with changing focus was through their employee satisfaction survey. This was done both by changing the focus of the

statements as well as the way they formulated the statements in their survey. The focus had previous been mainly on the physical working environment and on how the co-workers perceived the management. The new questionnaire consisted of 14 statements where four were aimed at the physical working environment and ten towards softer aspects. One example of a change in formulating the statements was: from “My manager asks me about my personal development” to “I tell my manager how I look upon my own personal development”.

The questionnaire was developed by the company and was intended to measure three areas: “My personal safety” (four statements), “My role in the whole” (five statements) and “My own development” (five statements). It was constructed in such a way that the respondents were asked to rank each statement from 1 to 4 using a Likert scale (1 equaled totally disagree, 4 equaled totally agree). Out of the 141 possible respondents 100 questionnaires were returned and analyzed giving a total response rate of 71 %. As the purpose was to analyze the results in order to see how they could help the company to understand how to further develop their organizational culture and their leadership, analysis was carried out with regard to the statements relating to the two areas “My role in the whole” and “My own development”. The area “My personal safety” was aimed at measuring the physical working environment and was therefore excluded. The results were analyzed using SPSS, starting by calculating mean and standard deviation, both for the whole company as well as by dividing the results between blue collar and white collar. To test the internal consistency reliability for the two areas decided by the company the Cronbach’s Alpha coefficient was calculated for each of them where a value of 0.8 or over was seen as acceptable since there were five statements within each area. A correlation analysis between all statements were also carried out in order to investigate any correlations between the ten statements.

Findings

Firstly the data was analyzed by calculating mean and standard deviation for all ten statements (see Table 1) and means for the two groups, blue and white collar (see Table 2). Cronbach Alpha was then calculated for the two areas decided by the company and none of them reach the value of 0.8 seen as acceptable; “My role in the whole” (0.77) and “My own development” (0.69).

Table 1. Mean and standard deviation for the ten statements for the whole company

Statements	Mean	St dev
1. I know the company's mission and overall objectives	2.81	0.76
2. I know the company's results and key performance indicators	2.75	0.78
3. I know the objectives and results for my department's key indicators	2.82	0.77
4. I'm contributing with concrete improvement suggestions in my workplace	2.89	0.73
5. I'm actively contributing to the workplace well-being	3.12	0.50
6. I want to develop myself by learning new techniques and new working tasks	3.33	0.65
7. I tell my manager how I look upon my own personal development	2.44	0.81
8. I get feedback from my manager regarding my work performance	2.66	0.84
9. I feel respected by my colleagues	3.28	0.51
10. I feel respected by my manager	3.13	0.72

The results for the whole company show that the statement about telling their manager about their own development has the lowest mean value and the statement about wanting to develop has the highest. Also the two statements regarding feeling respected by the colleagues and the manager as well as their own contribution to the work-place well-being show a value above 3.0 on the scale from 1 to 4.

Table 2. Mean values divided by Blue collar (B) and White collar (W)

Statements	B	W	Diff.
1. I know the company's mission and overall objectives	2.65	3.33	0.68
2. I know the company's results and key performance indicators	2.58	3.25	0.67
3. I know the objectives and results for my department's key indicators	2.76	2.97	0.21
4. I'm contributing with concrete improvement suggestions in my workplace	2.83	2.94	0.11
5. I'm actively contributing to the workplace well-being	3.09	3.11	0.02
6. I want to develop myself by learning new techniques and new working tasks	3.35	3.28	-0.07
7. I tell my manager how I look upon my own personal development	2.36	2.69	0.34
8. I get feedback from my manager regarding my work performance	2.63	2.83	0.21
9. I feel respected by my colleagues	3.25	3.39	0.14
10. I feel respected by my manager	3.08	3.14	0.05

The mean values are all higher for the white collar workers apart from the statement regarding the will to develop. The highest difference can be found in respect to the responses regarding statements one and two.

Pearson Correlation was calculated between the ten statements (see Table 3) and in addition, the Spearman's coefficient of rank correlation was also calculated which generated the same results. Correlations above .50 was considered high, correlations between .40 and .49 as medium and both were considered of interest to investigate further.

Table 3. Pearson correlation between all ten statements

Statements	1	2	3	4	5	6	7	8	9	10
1 Corr.	1	0.74**	0.56**	0.25*	0.17	0.09	0.29**	0.27**	0.23*	0.20*
2 Corr.		1	0.53**	0.27**	0.21*	0.13	0.26**	0.19	0.25*	0.23*
3 Corr.			1	0.54**	0.35**	0.14	0.31**	0.38**	0.35**	0.41**
4 Corr.				1	0.45**	0.15	0.25*	0.26**	0.29**	0.25*
5 Corr.					1	0.38**	0.13	0.15	0.37**	0.20
6 Corr.						1	0.21*	0.11	0.27**	0.16
7 Corr.							1	0.47**	0.20*	0.27**
8 Corr.								1	0.36**	0.57**
9 Corr.									1	0.51**
10 Corr.										1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Strong correlations (above 0.5) were found between:

- Statements 1, 2 and 3 (knowledge about objectives, key indicators and results on different levels)
- Statements 3 and 4 (knowledge about one's own department's objectives and results and concrete improvement suggestions)
- Statements 9 and 10 (respected by colleagues and by manager)
- Statements 8 and 10 (feed-back and respect from manager)

Medium correlations (between 0.4 and 0.5) were found between:

- Statements 7 and 8 (telling manager about own development and feed-back from manager)
- Statements 4 and 5 (own contribution to improvements and workplace well-being)
- Statements 3 and 10 (knowledge about objectives and results for own department and respected by manager)

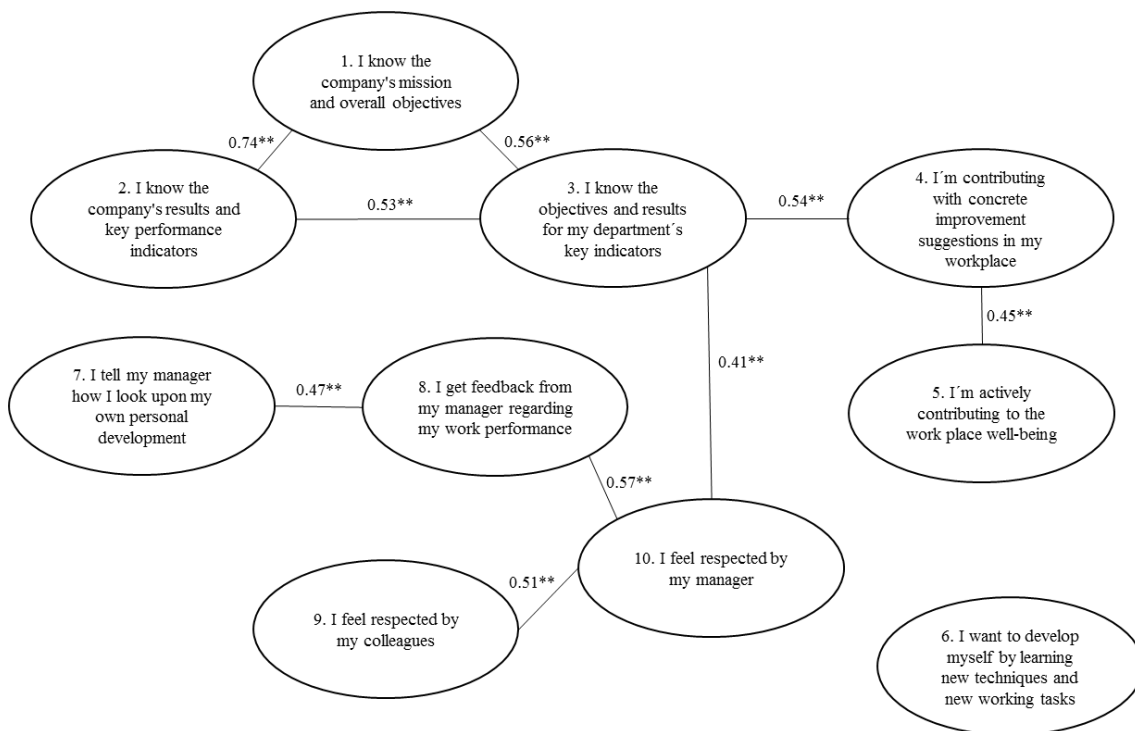


Figure 2. Correlations between the ten statements

Discussion

The results from the analysis shows that the areas decided by the company should not be used for comparing results between departments or years. The analysis further shows strong correlations between some of the statements that could help inform the company on how to build culture and develop the leadership.

The strong correlation between statements 1, 2 and 3 indicates that the company has a working structure for breaking down and following up objectives and results. This structure could be used in order to enhance the work with the softer side as well, if used to also focus on behaviors and values. The result could also suggest that the company's own feeling of having a strong focus on structure is accurate. The results further indicates that the company's goals and results are better known by the white collar workers but that the results for one's own department are known throughout the

company, regardless of where you work. Their focus on structure can be seen as focusing on tools and the need for cultural change had been missing, which according to Chatman & Eunyoung Cha (2003), is a vital part of the transformation to Lean.

The perception that the co-workers are too passive could be disputed by the results showing a mean value of 3.35 for blue collars when agreeing to the statement of wanting to develop themselves by learning new techniques and working tasks. The fact that this statement does not correlate with any of the other statements is a bit surprising. The statement, "I tell my manager about my personal development", on the other hand had a medium correlation to the statement regarding feedback from my manager showing that they are dependent on each other. The development of the leadership within the company towards more managing of people as described by Poksinska et al. (2013) could be a way to capture the person's desire for self-development. The lack of correlation between the statement regarding their own will to develop and the statement regarding telling the manager about their own development could inform the company that there might not be a lack of desire to develop but a lack of ways of communicating this desire. Statements three and four correlate which could be interpreted as knowledge about one's own department's objectives and results enhancing the willingness and ability to contribute to continuous improvements.

The correlation between feeling respected by manager and feeling respected by colleagues could indicate that the behaviors shown by the managers are a role model and the way they behave is a major contributor to how the co-workers will behave (Dombrowski & Mielke (2013) and in the long-run a way to build organizational culture and values. The statement about feeling respected by one's manager also correlates strongly with getting feedback from the manager which shows that there is a relationship between the feeling of respect and feedback. This is one more way to develop leadership in order to create a culture of mutual respect.

Looking at the questionnaire and the way the results are processed reveals that if the results are just compiled as means the analysis of the results becomes shallow. If the intent is to use the employee satisfaction survey as a tool for building organizational culture, a more in-depth analysis is required. Even though the cause and effect is not clear, the results shows the way in which the leadership relates to the behaviors the organization wants to see from their co-workers. It is also of importance how the results are addressed within the organization, as pointed out by De Waal (2014), as one problem occurs when employee surveys don't lead to the expected benefits. The more thorough analysis could help the organization understand what to do in order to address the results thus making it easier to act on them. In addition it could render a deeper understanding of the system than surveys sometimes tend to do (Snyder 2015). Whether the changed wording of the questions leads to changed behaviors in the organization remains to be seen, but the results from the questionnaire show that the development of the leadership towards a more Lean leadership could have even more effect on the culture. Asking a different kind of questions in an employee satisfaction survey and analyzing the results in more detail than just by calculating and comparing means could give an organization a management tool to be used both to monitor and to build organizational culture.

In summary, the results shows that the company needs to develop and use their leadership if they want to enhance their culture with focus on continuous improvement and respect for people.

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