



The humble survey has its uses

By Michele Levine

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"Directors must come out of the closed 'loop of close friends' and organisational information into the 'open loop' of better information and the wider values of society at large."

Director interviewed, as part of the Roy Morgan Director Segment 2003

My column for this issue is a letter of support for the humble survey - the customer survey, the employee survey, the market survey, and even the shareholder survey.

As someone who has spent the last twenty years, metaphorically speaking, measuring customers, employees, shareholders and markets, it is always interesting to be the one being measured. It can be a frustrating experience...

The shift in thinking about surveys over the last 20 years has been remarkable. For instance, the Customer Satisfaction Survey has been seen variously as:

- Feedback from the customer - a means of developing products and services, giving the customer a voice, and an opportunity to hear what the customer really thinks;
- Measurement of the customer focus of the organisation or the division;
- A key performance indicator (KPI) tied to bonuses and salaries at various levels in the organisation.

Typically, Customer Satisfaction Surveys have been directed at the needs of "management" (essentially the middle managers who are expected to act on the findings) and at the needs of the customer. Exactly the same can be said of surveys of employees, shareholders and the market.

Yet many of the issues raised in these surveys can only be addressed at the most senior level within an organisation. For instance, at the very simplest level, an organisation with vertical structures as profit centres may not be capable of providing the integrated customer service that will lock their customer in. Yet the real issues rarely, if ever, make it to those capable of doing something about it.

Today, with increasing focus on Governance issues for all major corporations, the stakes are even higher. The most senior executives and the board are held responsible for the actions (and inaction) of the entire organisation. Yet the information they need to understand

their organisation, their customers, their markets, even their shareholders, is woefully inadequate.

A recent Roy Morgan Director Segment Research found that Australian company directors feel increasingly unsure about their capacity to protect shareholders against mismanagement generally and deceit in the corporate boardroom.

What is needed is an integrated measurement system which:

- Captures the relevant data from customers (and the wider market), employees, and shareholders (and other stakeholders);
- Analyses the data and provides different perspectives for the many purposes of the organization's various parts.

Only with an integrated approach can senior management and the board see the "Big Picture" and the "early warning indicators". The system must enable those responsible for the organisation to:

- Identify trends across business units which require structural attention (this could be customer related or employee-related);
- Identify pockets of 'non-conformity' from set regimes, often an early warning of 'corruption';
- Identify shareholder concerns and views. Shareholders can be another valuable set of 'eyes and ears' for the organisation. They have a very different frame of reference from customers, employees or the board.

It is essential to be aware that an exercise like this, while critical, is delicate and requires careful thought and planning. There are also practicalities including cost, existing measurements, internal politics, etc.

Although the concept of an integrated system is necessarily extensive, it can start anywhere.

Generally, some customer, employee and/or shareholder research will already be in progress, even though you may be

unaware of it. Ideally, your first step is a review of existing customer, employee and shareholder surveys and other information. The key to this review is to recognize the differing needs of each of the constituencies.

For customers, employees and shareholders, the survey must be relevant, important, confidential and easy-to-do to ensure high response rates and well considered honest answers.

For middle management, the survey must be relevant, actionable, believable/correct, sensitive to change and responsive so that management can use the information to continuously improve and measure performance.

For senior management and the board, in addition to all the above, two things are critical: the survey must be independent and, not least, accessible for questioning and interpretation at every level. Only in this way can the survey be used to see the big picture and enable the key players to understand the factors that make a difference across the organisation, as well as providing an 'early warning detection system' of changes, disconnects and inconsistencies.

A crucial part of the measure is an indicator of 'participation'. The most demoralised areas of a workforce will have the lowest 'participation' rate - they simply will not complete the survey. It is often said that when your customers stop complaining you are in big trouble. It's no different with employees.

All of these objectives can be achieved with a single system - provided there is a clear strategic intent in the design; a disciplined approach to implementation; and, of course, intelligent analysis, interpretation and communication of the results on an-ongoing basis.

The board must create the critical channels by which relevant information can reach it - and the humble survey is a good start. ■