

XYZ Corporation

2005 Employee Communication Survey

Presentation of Results

July 28, 2005



Agenda

1. Methodology
2. About the respondents
3. Summary of Key Findings
4. ComLINK Impact Analysis
5. Detailed Survey Findings & Analysis
6. Recommendations
7. Next Steps

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Methodology

Survey Objectives

- ▶ Assess the effectiveness of internal communication within XYZ Corporation.
- ▶ Quantify how well employees understand key business issues.
- ▶ Identify how employees receive their information, where they *prefer* to receive their information, and the effectiveness of XYZ Corporation communication channels.
- ▶ Quantify the impact that various communication channels have on the overall work environment.

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Methodology

- ▶ Survey conducted March 10 - May 24, 2005.
 - ▶ Administered online and on paper
- ▶ Translated into multiple languages:
 - ▶ English (online and paper)
 - ▶ Chinese (Simplified dialect, online and paper)
 - ▶ French (Parisian dialect, paper only)
 - ▶ Portuguese (Brazil dialect, online and paper)
 - ▶ Spanish (Latin America dialect, online and paper)
- ▶ Survey response rate:
 - ▶ 916 completed surveys
 - ▶ 34% response rate*
 - ▶ 2.6% margin of error
- ▶ * Note: The response rate calculation does not include the total population of EAME because this region was not included in the survey audience.

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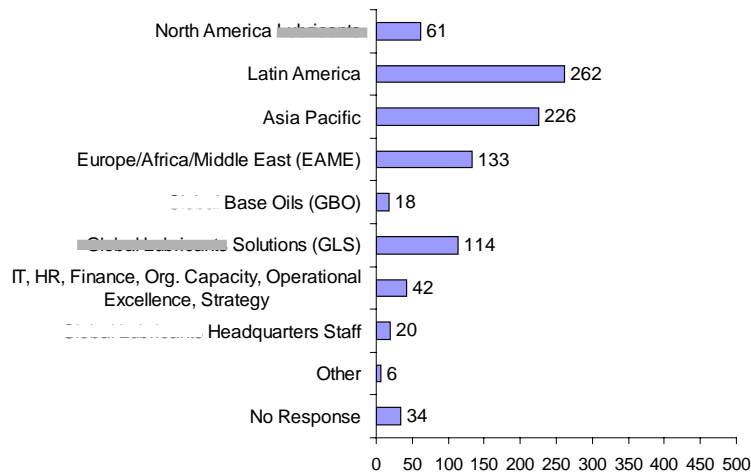
Survey Topics

- ▶ Communication Climate
- ▶ Work Environment
- ▶ Understanding Business Issues
- ▶ XYZ Corporation Communication:
 - ▶ XYZ Corporation Leadership Team
 - ▶ *XYZ Magazine*
 - ▶ XYZ Corporation Intranet
 - ▶ Quarterly Web Casts
 - ▶ Monthly Performance Reports
- ▶ Regional/Business Unit Communication:
 - ▶ Immediate Supervisor Communication
 - ▶ Regional or Business Unit Meetings
 - ▶ Regional or Business Unit Newsletters
 - ▶ E-mail
- ▶ Sources of Information
- ▶ Open-Ended Comments
- ▶ Demographic Information

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About the Respondents

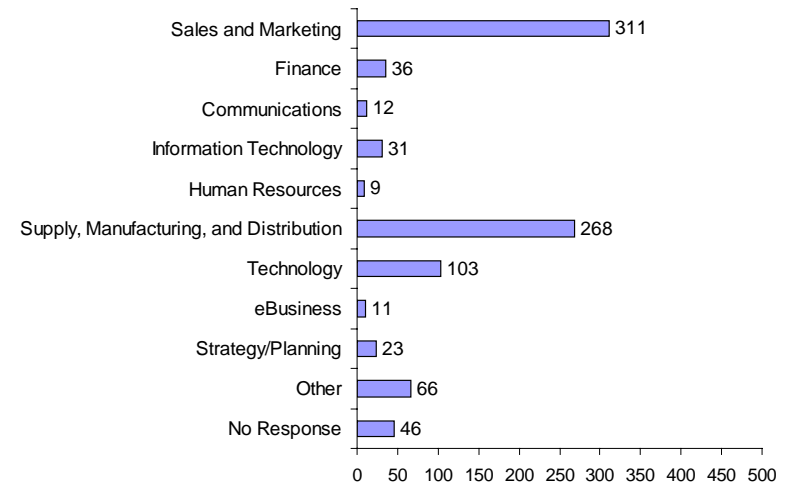
▶ Region/Business Unit:



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About the Respondents

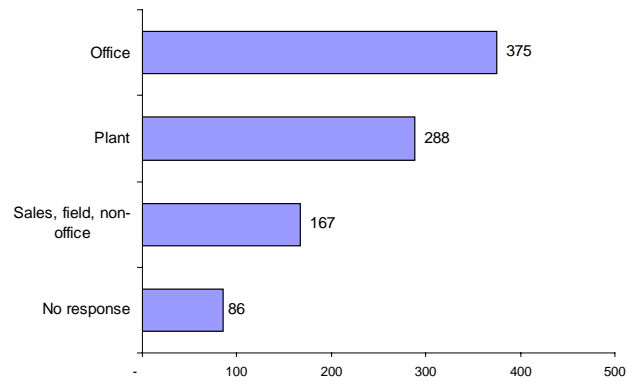
▶ Job Function:



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About the Respondents

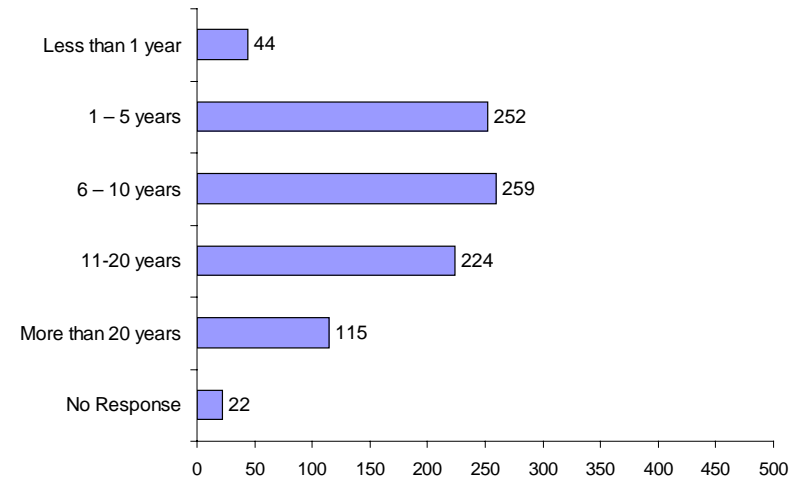
Work Environment:



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About the Respondents

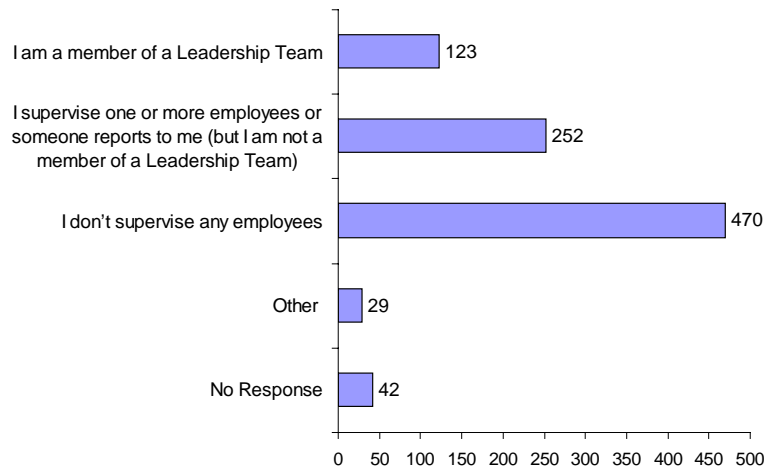
Length of Service:



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About the Respondents

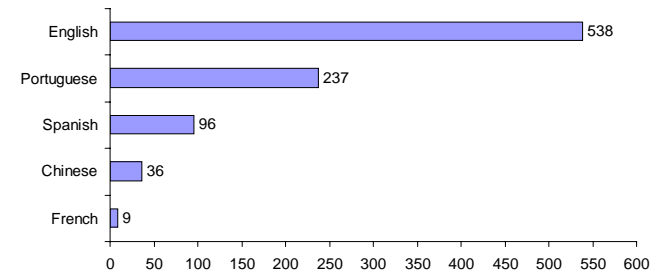
Job Classification:



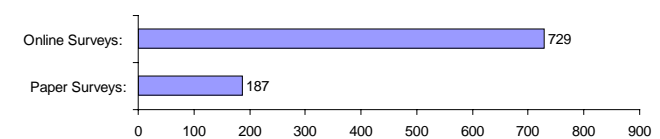
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About the Respondents

Surveys received in each language:



Surveys completed online and on paper:



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Summary of Key Findings

Overall Strengths

- ▶ **Overall, employees gave very favorable scores throughout most of the survey.** Specific sections that received favorable scores include:
 - ▶ Overall communication climate
 - ▶ The overall work environment
 - ▶ Understanding of business issues
 - ▶ Management communication
 - ▶ Communication vehicles
- ▶ **More than eight out of ten employees:**
 - ▶ Enjoy working at XYZ Corporation.
 - ▶ Are kept informed about major changes within XYZ Corporation and Parent Company.
- ▶ **More than two-thirds say:**
 - ▶ They are well informed about XYZ Corporation strategic plan.
 - ▶ XYZ Corporation communicates in a timely manner.
- ▶ **65% say there is a good level of trust between the GLLT and employees.**
 - ▶ This is a very strong score for this question. In other organizations where we have asked this question, usually fewer than 50% say there is a good level of trust.
- ▶ **90% say they are well informed about Parent Company's vision and values.**

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Overall Strengths

Overall Strengths

- ▶ **Nearly two-thirds (65%) say they receive about the right amount of information from XYZ Corporation.**
 - ▶ Only 17% say they receive too little information.
- ▶ **Half of respondents say communication has improved in the past 12 months.**
- ▶ **85% receive communication from the GLLT, and they say the GLLT:**
 - ▶ Effectively communicates XYZ Corporation' business goals and objectives.
 - ▶ Is honest and straightforward.
 - ▶ Maintains an appropriate level of communication with employees.
- ▶ **Immediate supervisors are generally effective in their communication.**
 - ▶ 79% say they meet with their supervisor at least once a month.
 - ▶ 71% say these meetings are effective in providing information that helps them do their job more effectively.
 - ▶ Employees say their supervisor is accessible and open to their ideas.

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Communication Channels:

- ▶ **XYZ Magazine:**
 - ▶ Nine out of ten employees receive *XYZ Magazine*.
 - ▶ Three-fourths say *XYZ Magazine* is a useful source of information about regions/business units, and that it helps them learn about the people within XYZ Corporation.
 - ▶ Nearly two-thirds say the publication helps them feel more connected to the XYZ Corporation team.
- ▶ **Web Casts:** More than three-fourths say the Web casts:
 - ▶ Are a useful source of information about regions/business units.
 - ▶ Help them better understand the strategic direction of XYZ Corporation.
 - ▶ Are an effective way for senior management to communicate with all employees.

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Overall Strengths

Communication Channels:

- ▶ [Monthly Performance Reports:](#)
 - ▶ Help employees understand XYZ Corporation performance.
 - ▶ Help employees better understand what the critical three priorities are.
 - ▶ 85% say the monthly performance reports are about the right length.
- ▶ [Regional/Business Unit Meetings:](#)
 - ▶ 77% of employees say they have attended a regional/business unit meeting in the last 12 months.
 - ▶ Over 65% of employees give positive scores on all four of the questions involving regional/business unit meetings.
- ▶ [E-mail:](#)
 - ▶ Nine out of ten employees say e-mail is an effective way to communicate company news and announcements.
 - ▶ 61% of employees suggest using e-mail with the same frequency as it is now.
 - ▶ 80% say e-mail helps keep them informed about XYZ Corporation.

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Overall Strengths

Sources of Information:

- ▶ [The survey asked employees to identify their current and preferred sources of information for six subjects.](#)
 - ▶ For each of these subjects, there is a good match-up of people's current and preferred sources.
 - ▶ For the most part, employees prefer to receive information from management, either their immediate supervisor, department manager, regional leadership team or GLLT.

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Overall Improvement Opportunities

- ▶ [Respondents say they are not as informed about the reasons behind decisions:](#)
 - ▶ Only 53% say are kept informed about the reasons behind XYZ Corporation decisions.
 - ▶ Only 60% say are kept informed about the reasons behind Parent Company-wide decisions.
 - ▶ BUT ... these scores are significantly higher than what we see in other organizations, where typically fewer than 50% of employees give favorable scores to this question.
- ▶ [Respondents identified upward communication as an area for improvement:](#)
 - ▶ Only 60% say there is an adequate process for providing suggestions and ideas to the GLLT.
 - ▶ Only 56% say the GLLT is open to suggestions from employees.
 - ▶ Only 53% say the GLLT gives fair consideration to employees' ideas.

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Overall Improvement Opportunities

- ▶ Although [XYZ Magazine](#) received generally positive scores, only 42% of respondents say the publication provides information that helps them do their job better.
- ▶ Although 88% of employees are aware that XYZ Corporation has its own [intranet site](#), 45% say they visit the site "once a month or less" or "seldom or never".
 - ▶ Only 22% use the intranet daily or several times a week.
 - ▶ Fewer than half of respondents say:
 - ▶ The intranet provides information that helps them do their jobs better.
 - ▶ They go to the XYZ Corporation intranet to find answers to my questions.

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Overall Improvement Opportunities

- ▶ Approximately four out of ten employees have not listened to a [Web cast](#) in the past 12 months. The most commonly cited reasons for not doing so are:
 - ▶ Cannot access or have difficulty accessing (33%)
 - ▶ Do not have time or unable to leave job (29%)
 - ▶ Language is a barrier (26%)
 - ▶ Not aware of them (24%)
- ▶ Respondents say they receive [information from other employees](#) for two subjects on the survey:
 - ▶ 28% say they receive ideas and tools to help them do their jobs better from other employees (only 17% prefer this as a source).
 - ▶ 16% say they receive information about changes that affect their immediate work area from other employees (only 7% prefer this as a source).

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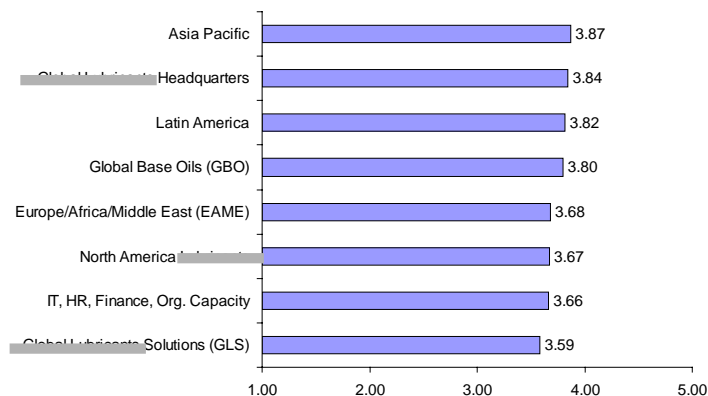
Demographic Differences Summary

- ▶ In general, these regions / business units *tend* to have more favorable scores on the survey:
 - ▶ Asia/Pacific
 - ▶ XYZ Corporation Headquarters
 - ▶ Latin America
 - ▶ Global Base Oils
- ▶ In general, these regions / business units *tend* to have less favorable scores on the survey:
 - ▶ XYZ Corporation Solutions
 - ▶ IT, HR, Finance, Organizational Capacity, Operational Excellence, Strategy
 - ▶ North America
- ▶ In general, leadership team members tend to give slightly more favorable scores than supervisors and non supervisors.
- ▶ Note: These are generalizations, based on average scores for groups of questions. In many cases these groups have scores on individual questions that do not fall within these trends. Refer to the demographic comparisons section for a more detailed analysis.

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Demographic Differences Summary

- ▶ This chart shows the average mean scores for each region/business unit, calculated by averaging together all the questions on the survey with a 5-point scale. This provides an OVERALL view of how each region/unit compares with each other. Please note that on individual questions, some units will be higher or lower than these overall averages.



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ComLINK Impact Analysis

Linking communication to performance.

About ComLINK

ComLINK involves a statistical analysis process that:

- ▶ Calculates a quantitative measure of the impact of internal communication, including management communication, on the work environment and understanding of business issues.
- ▶ Identifies the key drivers and critical issues in the organization, which reduces the guess-work from deciding which initiatives and actions to take, based on the survey findings.
- ▶ Will help XYZ Corporation determine where to invest its time and resources to obtain the greatest return on investment.
- ▶ Elevates employee communication to a strategic business level.

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ComLINK Impact Analysis

- ▶ For XYZ Corporation, the measures of performance were:
 - ▶ Overall work environment
 - ▶ Understanding of key business issues
- ▶ Each of these performance measures are represented by a set of questions on the survey.

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ComLINK Impact Analysis

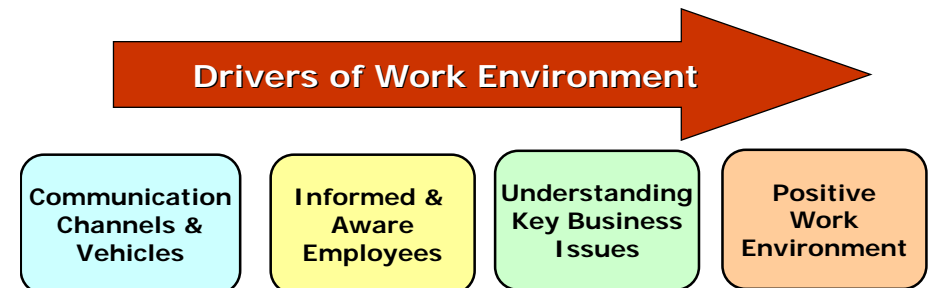
- ▶ Key drivers of the work environment and understanding of business issues:
 - ▶ How well informed and aware employees are
 - ▶ Communication from the XYZ Corporation Leadership Team
 - ▶ Communication from Parent Company
 - ▶ Immediate manager communication
 - ▶ Regional/business unit meetings
- ▶ In addition to these key drivers, other communication vehicles have a significant impact on the organization:
 - ▶ *XYZ Magazine*
 - ▶ Monthly performance reports
 - ▶ E-mail
- ▶ A 10% improvement in these key drivers is predicted to result in:
 - ▶ 7% improvement in the understanding of business issues
 - ▶ 9% improvement in the overall work environment

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ComLINK Impact Analysis

XYZ Corporation

Model of communication and its impact on the work environment, customized for XYZ Corporation:



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Survey Questions & ComLINK

- ▶ The ComLINK model on the previous slide is based on specific questions on the survey. Questions about each subject on the survey represent a "construct" in the ComLINK model.
- ▶ Below is a sample of questions asked within various constructs in the XYZ Corporation survey.

Communication Channels & Vehicles	Informed & Aware Employees	Understanding Key Business Issues	Positive Work Environment
<ul style="list-style-type: none"> ▶ Parent Company Communication ▶ GLLT Communication ▶ Supervisor Communication ▶ XYZ Magazine ▶ Web Casts ▶ Monthly Performance Reports ▶ Intranet ▶ E-mail ▶ Regional/Business Unit Newsletters ▶ Regional/Business Unit Meetings 	<ul style="list-style-type: none"> ▶ Kept informed about major changes. ▶ Kept informed about reasons behind decisions. ▶ Timeliness of communication. ▶ Information is easy to understand. ▶ Communicates information to all employees. ▶ Etc. 	<p>Informed about:</p> <ul style="list-style-type: none"> ▶ Vision and values ▶ Strategic plan ▶ Strategic direction ▶ How job contributes 	<ul style="list-style-type: none"> ▶ I enjoy working at XYZ Corporation. ▶ Management follows through with its commitments. ▶ There is a good level of trust between the GLLT and employees. ▶ The GLLT gives fair consideration to employees' ideas. ▶ Etc.

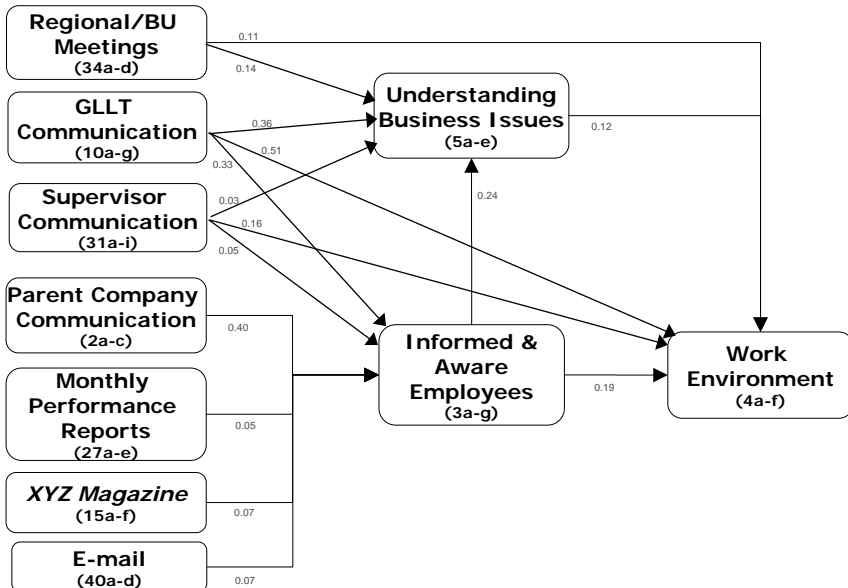
ComLINK Impact Model

English vs. Non-English Models

- ▶ Statistical analysis of the data identified slight differences in the model depending on whether respondents completed the survey in English or another language.
- ▶ The following slides show the English-language version of the model and the non-English version of the model. The differences are slight, but perhaps important in terms of how different communication vehicles influence English and non-English speaking employees.

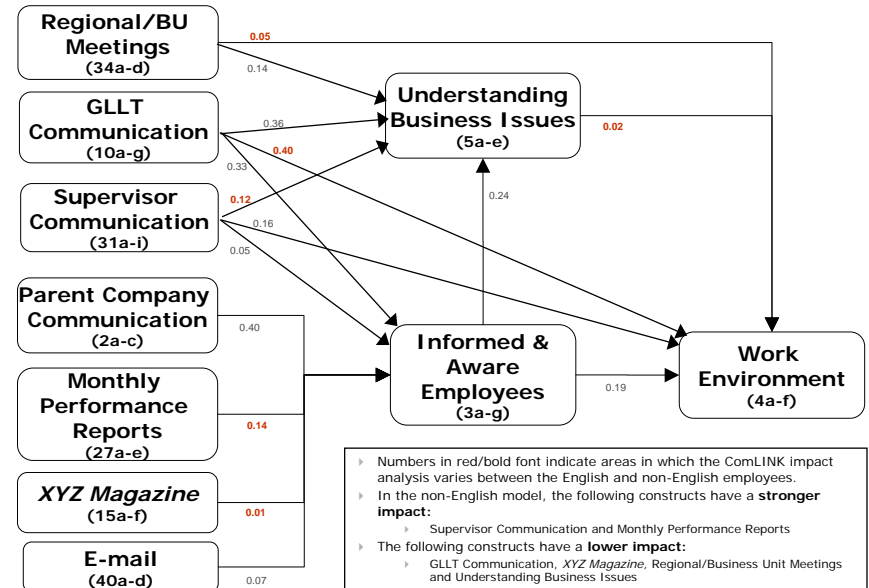
ComLINK Impact Analysis

ENGLISH LANGUAGE MODEL



ComLINK Impact Analysis

NON-ENGLISH LANGUAGE MODEL



▶ Numbers in red/bold font indicate areas in which the ComLINK impact analysis varies between the English and non-English employees.

▶ In the non-English model, the following constructs have a **stronger impact**:

- ▶ Supervisor Communication and Monthly Performance Reports

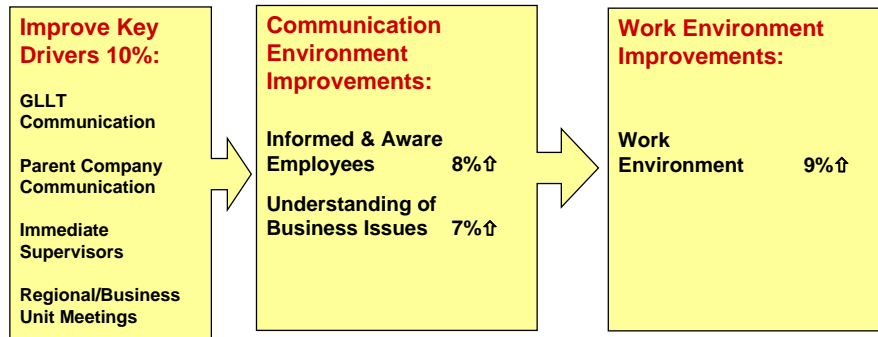
▶ The following constructs have a **lower impact**:

- ▶ GLLT Communication, XYZ Magazine, Regional/Business Unit Meetings and Understanding Business Issues

ComLINK Impact Analysis

Overall Impact of Key Drivers

Results of the ComLINK analysis show that improving the key drivers by 10% will result in the following improvements:



Of these four key drivers, GLLT communication and immediate supervisors have the greatest influence, followed by regional/business unit meetings, then by Parent Company communication .

Note: Because the differences in the English and non-English models are small, the overall impact of the key drivers is not significant enough to warrant creating two different versions of this overall impact summary.

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ComLINK Impact Analysis

Overall Impact of Key Drivers

- ▶ The percent improvements on the previous slide are based on the mean scores of each construct. This is calculated as the average score, on a scale of 1-5, of all the questions that make up each construct.
- ▶ To improve the key drivers by 10%, their mean scores would need to improve by 0.4 on a scale of 1-5. For example, the current mean score for GLLT communication is 3.7. A 10% improvement would make it 4.1.
 - ▶ A 9% improvement in the work environment translates to a change in the mean score from 3.7 (current score) to 4.0. This improvement can only be measured by repeating the survey in the future.

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The Bottom Line

- ▶ To have the most impact on understanding of business issues and the internal work environment, XYZ Corporation should focus on these key drivers:
 - ▶ GLLT Communication
 - ▶ Supervisor Communication
 - ▶ Regional/Business Unit Meetings
 - ▶ Parent Company Communication
- ▶ Of these key drivers, GLLT Communication has the greatest influence, followed by Supervisor Communication, Regional/Business Unit Meetings, and then Parent Company Communication.

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Detailed Survey Findings & Analysis

Question-by-question analysis of results

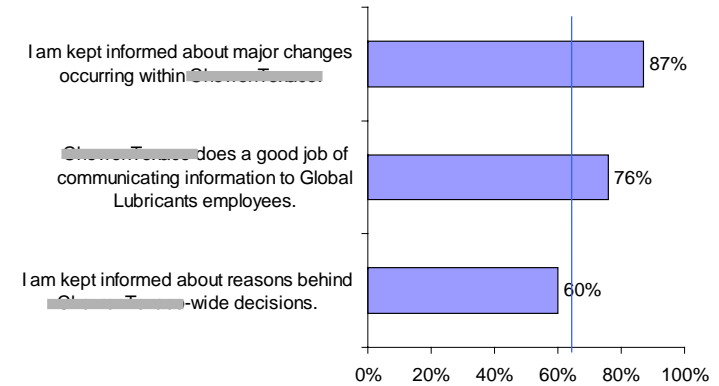
Overall Environment

This section includes questions about:

- ▶ Communication from Parent Company
- ▶ Informed and Aware Employees
- ▶ Work Environment
- ▶ Understanding Business Issues
- ▶ Overall Communication

Communication from Parent Company (Questions 2a-c)

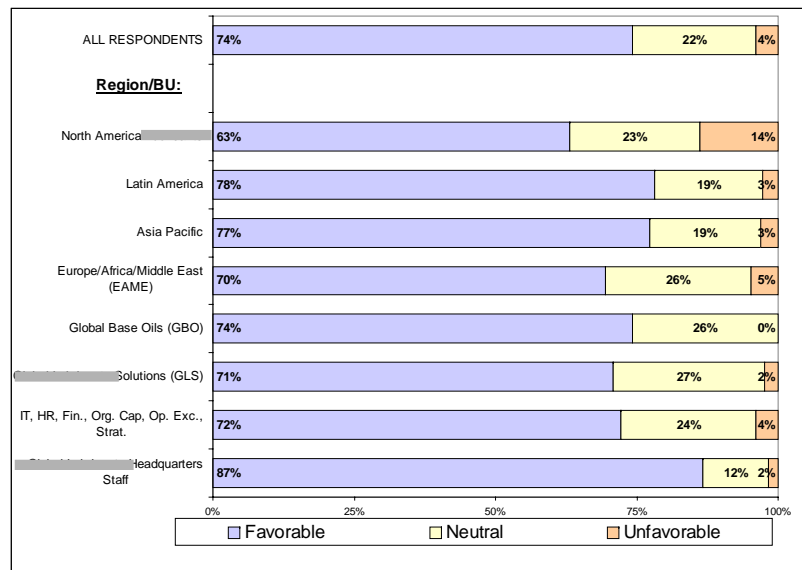
- ▶ On this chart and the ones on the following pages, the bars show the percent of respondents who checked "Strongly Agree" or "Agree", which are the two favorable response options.
- ▶ We look for the favorable responses to be at least 65% in order to call an item a strength.



Vertical line at 65% indicates target rate of 65% favorable for an item to be considered a strength.

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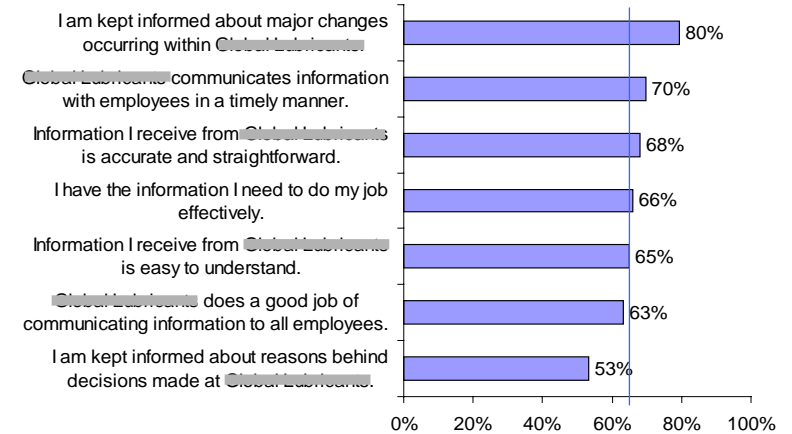
Parent Company Communication Index Scores (average of questions 2a-c)



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Informed & Aware Employees (Questions 3a-g)

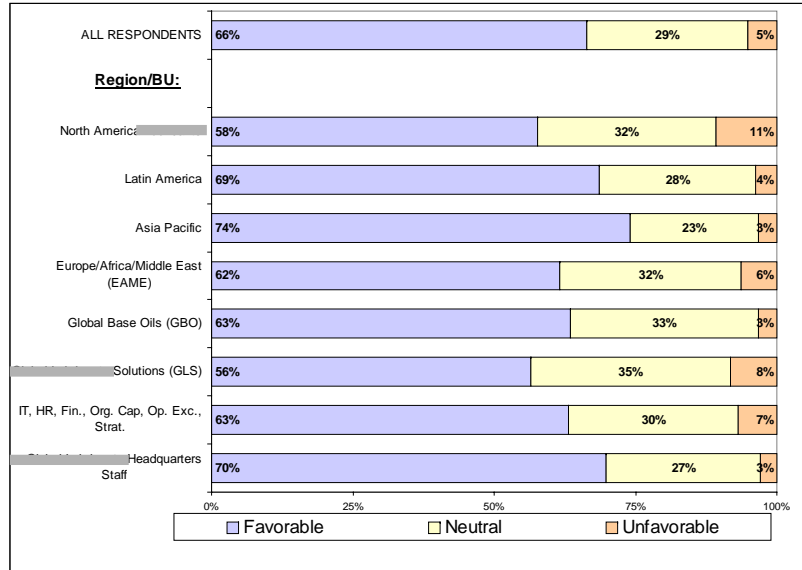
- ▶ Communicating the reasons behind decisions received the lowest score here, which is common among organizations.
- ▶ Overall, these scores are very positive.



Vertical line at 65% indicates target rate of 65% favorable for an item to be considered a strength.

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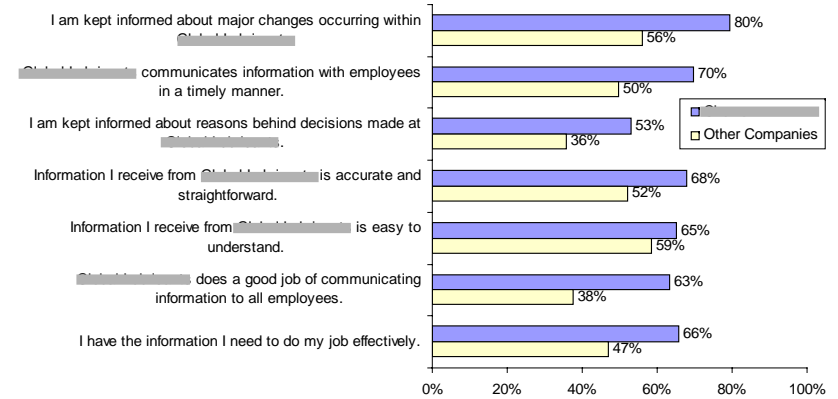
Informed & Aware Employees Index Scores (average of questions 3a-g)



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Comparisons With Others Informed & Aware Employees

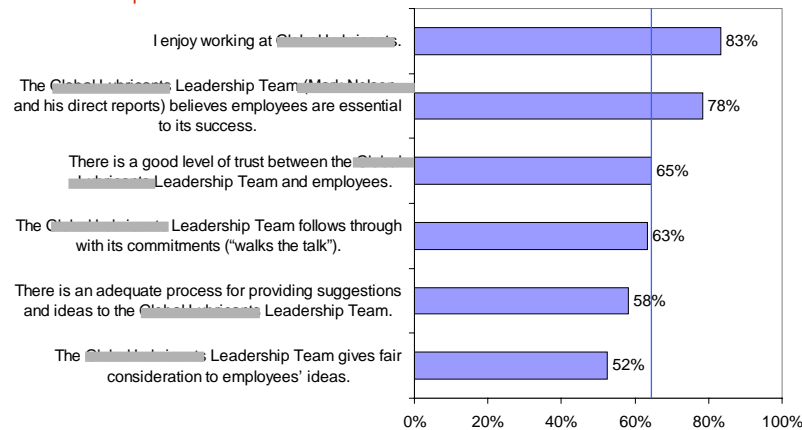
- ▶ Comparison of XYZ Corporation scores with other companies in our database.
- ▶ On each item, XYZ Corporation is significantly higher than our database averages.



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Work Environment (Questions 4a-f)

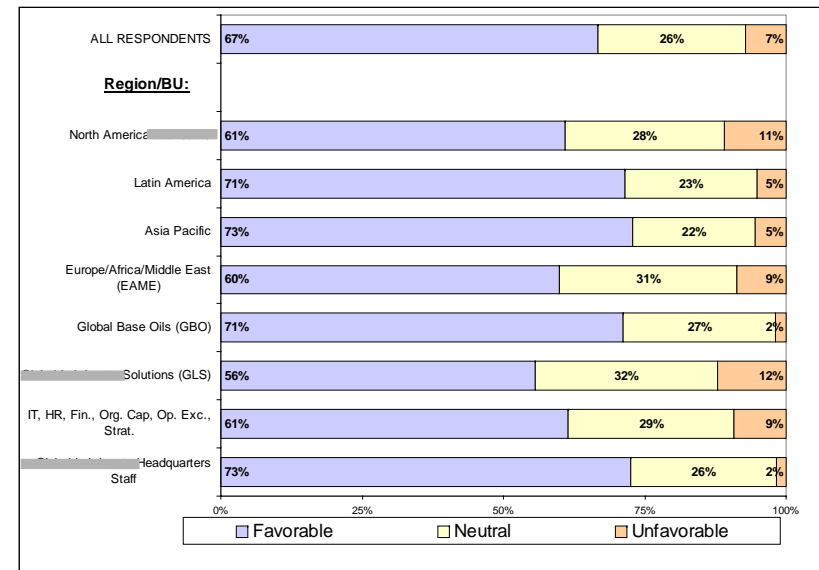
- ▶ The question about the level of trust received a very positive score, with 65% favorable. This is often one of the lowest-rated items in other organizations.
- ▶ Upward communication remains an area for improvement, as shown by the last two questions below.



Vertical line at 65% indicates target rate of 65% favorable for an item to be considered a strength.

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Work Environment Index Scores (average of questions 4a-f)

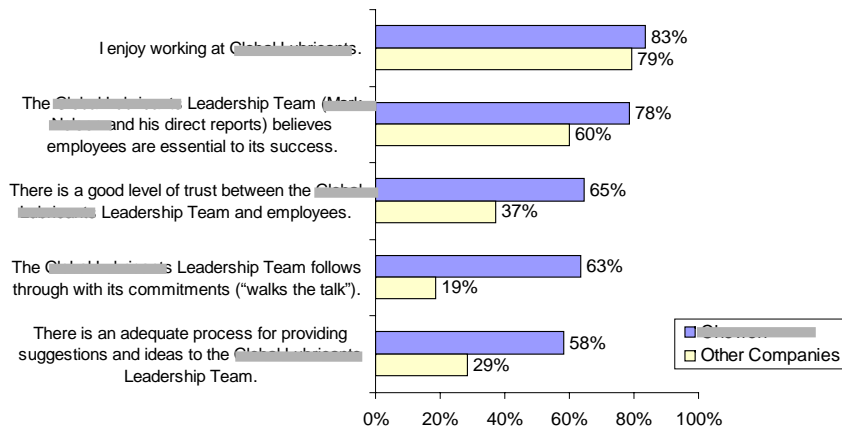


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Comparisons With Others

Work Environment

- ▶ Notice the significant difference in scores for the last three items on this chart.



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NOTE:

- ▶ The actual presentation file for this client continued to analyze each section of the survey. For the purposes of this sample report format, we have deleted the remaining slides of the presentation, with the exception of the next two slides that show our summary of open-ended comments, and a sample of some of our recommendations.

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Open-Ended Questions

Suggestions for Improvement

- ▶ What improvements can be made to employee communications in XYZ Corporation? (question 44)
- ▶ A total of 389 employees responded to this question. Comments were coded according to common themes. Please refer to the verbatim comments section of this report for the detailed comments.
- ▶ The most frequently cited comments in response to this open-ended question are:

<u>Comment:</u>	<u>Count:</u>	<u>Frequency:</u>
▶ Communications are informative, effective, done well currently.	33	8%
▶ Comments about translation issues/non-English issues.	32	8%
▶ Need more direct, one-on-one communication.	29	7%
▶ Miscellaneous suggestions for improving communication.	28	7%
▶ Need to make language easier to understand.	26	7%

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Open-Ended Questions

What Employees Like About Communications

- ▶ What do you like about the current communications in XYZ Corporation? (question 45)
- ▶ A total of 319 employees responded to this question. Comments were coded according to common themes. Please refer to the verbatim comments section of this report for the detailed comments.
- ▶ The most frequently cited comments in response to this open-ended question are:

<u>Comment:</u>	<u>Count:</u>	<u>Frequency:</u>
▶ Communications are informative, effective, done well currently.	79	21%
▶ Miscellaneous positive comments.	69	18%
▶ Communication is open, honest, direct, concise.	50	13%
▶ Comments about communication vehicles.	46	12%
▶ Comments about XYZ Magazine & regional/business unit newsletters.	30	8%

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Preliminary Recommendations

Please Note:

These recommendations are preliminary in nature, and are based on the consultant's analysis of the survey results.

We can further develop any of these ideas upon request.

Preliminary Recommendations

- ▶ Within the next 30 days, report the overall survey scores to all employees.
 - ▶ A message has already been communicated thanking employees for their input on the survey.
 - ▶ Now, provide a summary of the overall strengths and weaknesses.
 - ▶ Post the overall survey scores document on the intranet site, and provide a printed copy for each location where employees do not have online access.
 - ▶ Don't wait for an action plan to be put in place first. Report the results now, then come back with a summary of the action plan when that is complete.
- ▶ Develop reports for the regional/business unit managers.

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Preliminary Recommendations

- ▶ Focus efforts on enhancing key drivers:
 - ▶ GLLT and RLT communication
 - ▶ Immediate managers
 - ▶ Communication from Parent Company overall
 - ▶ Regional/Business Unit meetings
- ▶ In addition to these key drivers, other communication channels were identified as having a significant impact:
 - ▶ *XYZ Magazine*
 - ▶ E-mail
- ▶ Although many of these key drivers are already considered to be strengths on the survey, it is important to continue focusing on ways to enhance and improve these communication methods, to keep them fresh and interesting. Doing so will lead to continued improvements in how well employees understand the key business issues and to improvements in the overall work environment.

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Preliminary Recommendations

- ▶ Increase communication about reasons behind decisions.
 - ▶ Use multiple communication channels to explain reasons. Ensure that managers and supervisors have information about the reasons behind decisions so they can communicate that effectively to their direct reports.
- ▶ Improve upward communication. On the survey, employees gave lower scores for the process of providing input to the GLLT and for how effective the GLLT is in considering this input. Look for ways to increase the upward flow of information. In addition, when announcements or changes are made, try to make connections between the decision and any input management may have received from employees in making that decision.

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Preliminary Recommendations

- ▶ Management Communication:
 - ▶ Improve management responses to employee input.
 - ▶ Increase the amount of information shared with first level managers. They received positive scores, and can be effective channels of communication.
 - ▶ Continue conducting the regional/business unit meetings.
 - ▶ Improve timeliness of information dissemination to ensure managers are the first source of information for employees, instead of co-workers.
 - ▶ This is particularly true for two subjects:
 - 1) Changes that affect employees' immediate work area.
 - 2) Ideas and tools to help employees do their jobs.

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Preliminary Recommendations

- ▶ Communication Channels:
 - ▶ The Web casts and monthly performance reports received positive scores on the survey. Look for ways to enhance these channels and expand them to reach employees who may not use them as often as others.
 - ▶ Analyze the content of the regional/business unit newsletters to determine how well they are delivering information that will help employees be productive. Some of these publications received positive scores from their readers.
 - ▶ Analyze usage of the XYZ Corporation intranet site to determine whether this channel should be enhanced. Survey data shows that employees are generally aware of it, but do not use it very frequently. The most common usage is for news and communications, followed by *XYZ Magazine* and links to other sites.

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Preliminary Recommendations

- ▶ Consider conducting focus groups to:
 - ▶ Better understand why employees gave their managers favorable scores. What are managers doing that is effective? What is not effective?
 - ▶ Identify where employees see break-downs in understanding the reasons behind decisions and the level of trust between management and employees.
 - ▶ Identify what managers need more of and less of to be more effective communicators.
 - ▶ Obtain input on ways to improve various communication vehicles, such as the intranet and regional/business unit newsletters.
 - ▶ Determine why North America Lubricants had a low response rate to the survey.

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Next Steps

- ▶ Following this on-site presentation, the next step is to develop a set of tactics and initiatives based on the research results.
- ▶ As these initiatives are implemented, be sure to attribute them to the input received from employees.
- ▶ Within two years, conduct a follow-up survey to monitor progress.

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