Checking the Organizational Pulse

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The ability to routinely, simply and reliably tap into the ever-changing working climate presents an enduring challenge to organizational leaders. Those who have this skill can more readily institute needed changes, respond to emerging threats and improve employee satisfaction. Executives use a variety of methods, such as anecdotal information, yearly climate surveys and focus groups, to understand the day-to-day "pulse" of their organizations. Unfortunately, these traditional methods can be problematic for a number of reasons.

Some executives rely on anecdotal information they gather from the grapevine. The expedience of the method often over-shadows the problems with reliability: the picture painted may vary greatly from the reality. For example, the most recent rumor may reflect only one person's opinion. Additionally, anecdotes that vary too far from the conventional wisdom rarely reach the ears of executives. Like most people, executives seek out information that confirms, rather than disconfirms, their existing view of the world. Even if relevant stories do catch an executive's attention, it may be too late to act in a meaningful way.

Other executives rely on yearly or bi-yearly climate surveys. It is not unusual for these surveys to contain more than 100 questions covering a wide range of issues. Many executives prefer this seemingly comprehensive approach and the ability to isolate particular units or departments that have unique concerns. We have conducted scores of these surveys and have experienced a consistent problem: by the time senior executives have identified concerns, prioritized them, and created action plans, the problems or concerns have often shifted to something else. As a result, employees may express their concerns and discontent in other, more timely ways, often with deleterious effects. Consider, for example, Internet websites or "gripe boards" employees create to air grievances about their company (e.g., Kmartsucks.net). In short, yearly surveys often fail to capture the ever-changing and dynamic organizational atmosphere.

On occasion, executives may sponsor focus group-driven assessments, which are designed to provide a rich understanding of employee concerns. And they often do, but they also take time to conduct and thoroughly analyze. Additionally, employee participants may exert subtle pressure on others to confirm the prevailing wisdom, resulting in a concern with data validity. We are not indicting any of these methods; in fact we use many of them. But our concerns about the traditional methodologies led us to develop another alternative. We call it the Pulse Process.

The Pulse Process

The Pulse Process has three major objectives: 1) Identify employee concerns and reactions to on-going initiatives in a timely, reliable, and economical manner; 2) Respond

to these concerns, and 3) Cultivate a productive dialogue between executives and employees. At the heart of this process are three items:

? A short Pulse Survey that is routinely administered to a rotating sample of employees. The survey items include both traditional numerically-rated, closed questions as well as one or two open questions.

? The Pulse Report, which is a 1-page summary of the findings, presenting quantitative data for the numerically-rated questions and major themes for the open questions.

? An Executive Response, outlining senior management reactions to the issues highlighted from the current Pulse Report. In some cases, executives choose to respond to each question raised in the report

The Pulse Report provides the organization with a timely, accurate record of the current working climate. The executive response cultivates a productive and on-going dialogue within the organization.

Constructing the Survey

The Pulse Process begins with designing the survey parameters. Employees should be able to quickly and easily complete the survey. They are less likely to see the survey as burdensome when it contains a limited number of questions. We typically limit the survey to a maximum of twelve numerically-rated questions and two open questions. The bottom line: most Pulse Surveys can be completed in less than 3 minutes.

We use a question protocol that divides the content of the survey questions into three sections (see Illustration 1).

? In the first section, we ask broad base-line closed questions on an agree/disagree scale about the climate (e.g., "Our organization is headed in the right direction"). We hold these questions fairly constant over time. By doing so, we can monitor long-term changes in the climate and avoid the influence of more specific items addressed later in the survey.

? In the second section, we focus on employee reactions to more recent organizational issues, rotating through a new set of questions every six months or year. We try to strike the right balance between questions focusing on feedback (e.g., "Our training efforts are having a positive impact on the business") understanding, (e.g., "I have a good sense of the company's priorities") and behavior (e.g., "My supervisor provides routine updates"). Generally, the behaviorally-based questions prove to be the most revealing (Morrel-Samuels, 2002).

? In the final section, we ask one or two open questions that allow employees to comment on virtually anything happening in the organization that may be of concern to them (e.g., "If you could ask senior executives one question, what would it be?").

Administering the Survey

Establishing the appropriate protocol on the survey administration requires equal care. If employees are surveyed too often, they may suffer from "survey fatigue". If surveyed too infrequently, employees may dismiss the process because it lacks credibility and visibility. Somewhere between these extremes lies the acceptable frequency. Typically, we opt for surveying everyone in the organization once or twice per year. For instance, in one plant we randomly assigned the 1,000 employees to one of twelve survey groups. Every two weeks we survey a new group, so that in six months, each employee has an opportunity to provide feedback about the plant climate. In this case, employees are notified via e-mail to access the survey at an Internet site. This limits the "hassle factor" by allowing employees to complete it at a convenient time (within a specified time period) when they can be assured of privacy. If e-mail is not possible, then traditional paper/pencil surveys can be mailed to employees and returned to a confidential location.

Managing the Process

Trust is a cornerstone of the Pulse Process. In particular, employees must believe that expressing their opinions in a truthful manner will not result in a backlash from senior management. This can be done by guaranteeing employee confidentiality and collecting only a limited amount of demographic data, if at all. Hiring an outside agency to conduct and process the data also cultivates trust in the system – just like many companies have discovered with employee assistance programs.

Managing employee expectations is instrumental in sustaining motivation and participation over a period of years. We address this by creating communications before and during the process that emphasizes: 1) the reasons for initiating the process, 2) the guidelines for participating, and 3) what outcomes employees can expect (see Illustration 2). For instance, employees cannot expect that executives will respond favorably to every suggestion. They might, though, reasonably expect a response of some kind. Likewise employees should not abuse the confidentiality guarantee to launch personal attacks or "settle scores" with co-workers. They should be advised to manage those concerns through other channels.

Does the Pulse Work?

The Pulse Process can transform an organization's communication system. When properly developed, positioned and administered, the following benefits emerge from the process.

The Pulse Process serves an agenda-setting function because it focuses employee attention on particular issues. Restricting the number of questions signals to employees that these are important initiatives. The very act of asking a question about a particular issue encourages employees to think about it. Even if employees respond negatively to the issue, the executives have set the agenda and can start a meaningful dialogue.

Agenda-setting can happen with either the closed or open questions. The protocol previously outlined reserves several closed questions for current issues or initiatives. For example, in one company's Pulse Survey, about half of the questions pertained to employee reactions to a new performance appraisal system. Clearly, the number of questions devoted to this issue created a high-profile for the new initiative. The open questions send another powerful signal because employee responses provide a starting point for a continuing dialogue. In one case, the management team of the company identified the major challenge for the year as being able to transform the business to be more innovative and risk-taking, while, at the same time, performing their on-going work responsibilities. Therefore, to gain insight into this as well as focus employee attention, we asked, "How could the plant do a better job of 'transforming while performing'?" The question encouraged all employees to think about the major success factor for the year.

The Pulse Process often acts as an early warning device, uncovering employee issues that would not surface through other, more conventional communication tools. At the Boldt Company, the Pulse revealed that employees were concerned with its vacation policy. The issue emerged over the course of several months in open comments. Although the company had an open-door communication policy as well as a yearly climate survey, the issue never surfaced in those forums. The Pulse legitimized the issue and put it on the executives' radar screen. The company took steps to align the vacation policy with competitors, preemptively responding to the issue before it had a more severe impact on employee morale. The CEO of the Boldt Company, Robert J. DeKoch, explained the value of the Pulse Process in this way:

> "It allows the Executive Team to quickly and effectively ascertain key issues within our company before they become institutionalized problems. We get to see what people are thinking about. The process resembles a large-scale thoughtful and non-threatening discussion. That's not easy to do in a geographically dispersed and dynamic organization like ours."

Of course, alerting executives to potential concerns is only a first step. Executives at the Boldt Company have learned that *communicating about* and *acting on* the warnings sustains the entire process.

The Pulse Process fosters a more flexible, fluid and issue-driven communication system. The Pulse Process brings executives temporally and conceptually closer to employee concerns. Executives soon recognize that decreasing the time lag between the emergence of a concern and its discussion are critical for managing the rumor mill, building commitment for initiatives, and sustaining employee motivation. Often the Pulse Process encourages executives to alter the content of their communication as they begin to realize that the issues they *thought* employees understood differ from employees' *actual* understanding. One manufacturing has consistently asked employees about their understanding of the organization's direction. When we began asking this question, 54% of employees agreed that they "understand where the organization is headed". In an attempt to increase the level of agreement, executives used a two-prong approach: 1) they responded in detail to questions participants posed on the survey, and 2) they used

other channels to focus communication efforts on explaining where the company was heading.

First, the executives made a commitment to respond to every question raised by employees. Sometimes this meant answering up to 50 questions every two weeks. During the initial rounds of the Pulse, many employees used this venue as an opportunity to take shots at the executives, making comments such as "Why is (executive's name) so hell-bent on cutting union jobs?". But the executives persevered and responded to each of the concerns. As a result, executives legitimized, de-personalized and de-emotionalized employee concerns, while more thoroughly explaining their reasoning. In the second year of the process, the tenor of the questions changed dramatically. Instead of personal attacks, the executives started to receive praise (e.g., "No questions at this time… just keep giving us valuable information"). By answering hundreds of questions, executives cultivated an understanding of key organizational issues and decisions. Employees still questioned executives but the tone changed because the relationship had been transformed.

Secondly, they used other channels to more frequently and thoroughly discuss their thought process in making decisions. The company initiated a new communication tool called the *Fifth Quarter*. In this football-crazy town, the moniker signals a discussion about the last major decision in the organization. Executives use the tool on a monthly basis to discuss how they arrived at a major decision, such as why they pursued a particular market or made a large expenditure. As employees read the document and discussion bubbles up around it, they develop a keener sense of how executives will think about other decisions. The *Fifth Quarter* is both timely and timeless; it addresses fairly recent issues as well as revealing the deep enduring thinking routines of executives. The bottom line: employees discover the issues on which decisions hinge, they can better anticipate future decisions, learn how to influence decision making, and promote new initiatives.

Within two years, the percentage of employees who reported they understood the plant's direction increased to 70%, and it has remained at that level since (see Figure 1). This occurred despite a rapidly changing business climate and only modest alterations in the basic communication infrastructure.

Is Your Organization Ready for the Pulse?

Not every organization is ready for the Pulse Process. Use the following questions to gauge your organization's readiness.

Are executive ready to hear, share and respond to negative comments? If the Pulse Process works as intended, then negative, rancorous, and even venal comments will bubble up from time to time. Here's a sample of some of the more memorable comments unearthed by the Pulse:

? "How can they justify giving a supervisor $19,700 bonus and we get less than $600?"

? "Why does management treat me and my fellow co-workers as just a number instead of a human being? When will management really listen and work with us?"

? "When are you going to get the balls to tell the employees to do their jobs and clean up their machines instead of throwing millions of dollars of our money out the door …. (No Balls Management Syndrome)"

Some executives are shocked at such statements. This is, of course, instructive in and of itself, indicating that executives are out of touch with the sentiments of some employees. The data emerging from the Pulse Survey may be disheartening as employees vent their concerns. If the data are widely shared, then the comments may intensify an already discouraging climate, further eroding the motivation of those who tend to have more positive views. But it is important to realize that in these organizations, the Pulse only legitimizes an already existing general sense of negativity. Wise executives will use this as opportunity to start to deal with the concerns, recognizing that if they don't harvest and manage the dissent, then someone else will. A divisive climate does not magically disappear because executives refuse to acknowledge it.

Artfully responding to such comments requires both grit and grace. Executives use several approaches to respond to such comments. If someone lodges a personal attack, executives often redact the name of the person "being attacked" but respond to the substance of the comment. Another strategy is to redirect the inquiry to another, less public forum. If an employee relates a plausible but inaccurate story or rumor, then executives need to tell the counter-story. Re-framing concerns and explaining critical decisions is one of the most important ways to spend communication resources (see Table 1).

Is the organization prepared for honest dialogue about tough or complex issues? Rick Fantini, an executive at Appleton Inc., has been responding to employee concerns voiced in the Pulse for years. He explains the challenge:

> If you don't have tough skin, you shouldn't get involved in this process. You should be prepared to answer every question, no matter how trivial or "whiney" the question may seem to you. There is usually some outstanding issue behind the question that needs to be dealt with. If you respond with the politically correct answers, you are wasting your time as well as the employee's. Honest, straight-forward answers will not always be popular, but at the very least, employees learn to trust what you say.

In short, issues emerging from the Pulse range from the trivial to the thoughtful. Seemingly trivial issues, like complaints about small perks, are easy for executives to dismiss. But these issues actually present an important opportunity to properly frame and prioritize concerns. Small perks, for instance, can be explained as a way to reward employees for certain valued activities or skills.

Thoughtful, tough questions present another sort of challenge. For instance, one anonymous employee asked:

> "We have heard that our company is open to making acquisitions. This is both interesting and troubling. I am curious about what we are looking to add. Is it talent, geographical expansion, customer base, or all of the above? What is the strategy driving the acquisition process? Is it congruent with our marketing strategy?"

Such questions raise difficult confidentiality and legal issues, restricting executives' ability to engage in a meaningful discussion. In that case, they are best advised to simply point out the confidentiality problem while outlining the general approach to making such decisions. In other cases, justifying senior management compensation proves a particularly prickly issue. Once again, this presents an opportunity to discuss the organization's compensation philosophy and show how it relates to corporate profitability.

Are executives willing to commit the time to this process? The time commitment works in two distinct ways. First, executives need to respond to employee concerns in a timely manner. The assumption behind the Pulse Process is that *speed trumps completeness*. Executives need not present pristine, complete and "finalized" answers to every issue; rather they communicate what they know *at a particular point in time*. People trust meteorologists not because they always provide completely accurate forecasts but because they are routinely updating their projections. Likewise, the Pulse Process affords executives the opportunity to routinely update their information and answers to critical questions. Employees learn to trust the process –even though it gives partial and incomplete answers – because they know changes, corrections, and warnings are readily accessible. Few would pay attention to a weather report, no matter how comprehensive, that is issued once a year.

Second, executives must commit to the process for the long-term. The Pulse Process is not a "program-of-the-month" that can be easily cast aside. In fact, abandoning the process may send powerful negative signals about executive commitment to excellent communication. Trends tend to emerge slowly in the process. Changes in the executive dialogue with employees tend to occur gradually as everyone learns to trust the system. Adopting a Pulse Process resembles embracing a healthier diet. Some results are immediate but the real benefits occur in the long-term – the organization more readily adapts to stress, more flexibly responds to change and more energetically embraces new challenges.

Will executives "do something" meaningful with the results? Employees are often disinclined to complete annual or bi-annual climate surveys because "nothing happened last time". When executives respond to questions uncovered in the Pulse on a routine basis, we rarely encounter employees who feel that nothing happened – at the very least they feel someone heard their concern. What employees deem as an acceptable response to their comments can range from mere acknowledgement of a concern to a change in

policy. Sometimes issues emerge that warrant closer examination. Follow-up surveys or focus groups are often helpful at this point. In either case the data gathering process involves two steps: the Pulse Survey acts as the initial screening device and other methods are used for more in-depth probing. A second round of inquiry also signals that some meaningful change may be on the horizon.

Using the Pulse as a reference point in other communications often shows employees that their comments are taken seriously. For example, one executive uses the feedback gathered from the Pulse to plan his agenda for his quarterly meeting and even cites recent Pulse comments during the presentation. Such actions not only ameliorate potential concerns, they also help sustain the process. Consider this unsolicited, anonymous comment in a Pulse Report at the Boldt Company:

> "… it's nice to see that when many employees bring up a certain issue through surveys, you take notice and address that issue. I continue taking the surveys because I really believe they DO make a difference. Thank you for asking, thank you for listening, and then taking action and/or rewarding us for out thoughts."

Who could construct a better testimonial for the power and utility of the Pulse Process? And it echoes the sentiments of over 80% of their employees. Of course, it only happens when executives can answer affirmatively to all the questions discussed above.

The Pulse Process melds the scientific rigor of a well-honed survey with the dynamic richness of a town hall meeting within the context of a large organization. By carefully screening questions, systematically administering the survey and scientifically analyzing the data, we can be assured of an accurate reading of the organizational climate. The speed of the process and executive responses to issues raised simulate key aspects of a town hall meeting. The ensuing dialogue fosters a deeper understanding of critical organizational issues. We cannot guarantee that the Pulse Process will engender a healthy organization but it often prevents major communication breakdowns, rejuvenates employees and invigorates the organization.

Figure 1

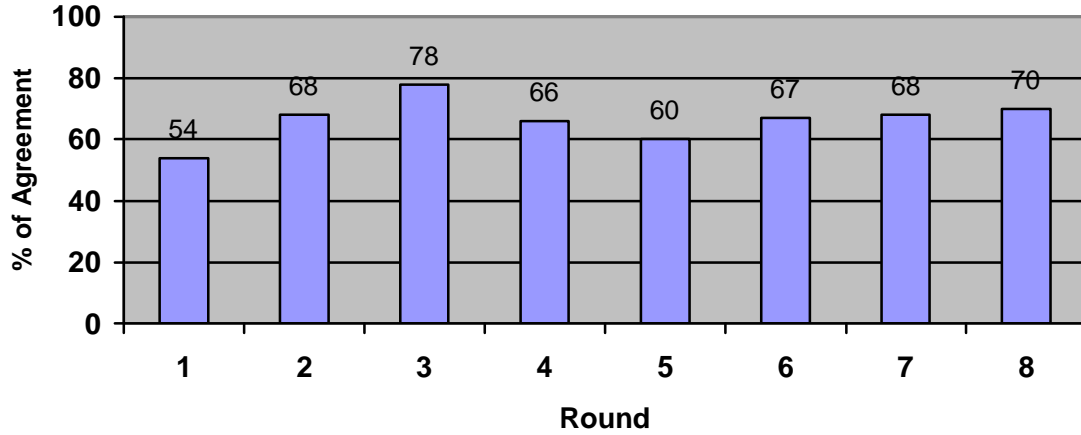**Employees who "understand the organization's direction"**

Table 1

Tackling Tough Questions

Question	Response Strategy
"If hourly employees are taking a wage cut, will the extra money be spent on lining executives' pockets?"	? Focus attention on the company's competitive position. ? Address the perceived status differences between levels of employees.
"We meet and meet, and meet some more. We try to get consensus. Then we don't, so we meet again. When are you going to stop the consensus stuff and give us answers?	? Highlight how the meeting process forces the company to look at complex issues from a variety of perspectives. ? Explain that for most tough questions there is not a single answer or a single individual who has all the answers.
"I've heard rumors about a merger. Any truth to it?"	? Discuss the rationale for legal restrictions on communications about mergers. ? Reaffirm corporate commitment to provide timely information as it becomes available.

Illustration 1

Sample Pulse Survey Questions

Part 1: Base-Line Items *(Strongly Agree* to *Strongly Disagree* Scale*)*
- ? The company is moving in the right direction.

- ? I understand where the company is headed in the next quarter.

- ? I understand how major decisions are made in the company.

- ? I'm committed to my organization.

Part 2: More Recent/Timely Items *(Strongly Agree* to *Strongly Disagree* Scale*)*
- ? My immediate supervisor provides routine updates on company issues.

- ? The company's training efforts are having a positive impact on the business.

- ? The quality of my performance appraisal was better than last year.

- ? Safety is a high priority in my department.

- ? Interdepartmental communication has improved during the past six months.

Part 3: Open Items

- ? If you could ask the executive team one question, what would it be?

- ? What is your greatest job-related concern?

Illustration 2

Introducing the Pulse Process

To compete effectively, our company must respond quickly and flexibly to evolving employee concerns. Part of that process involves assessing the working climate in a timely manner. We designed a new tool, the Pulse Process, to do just that. We want to hear what is on the mind of employees more frequently so that we can respond in a more rapid manner.

How does the Pulse work?
Each month, a rotating group of randomly selected employees will be sent a survey over the intranet. There are no right or wrong answers; it is your opinion that is important. The results and the executive responses will be shared with all employees every month.

Is this confidential?
Absolutely. The surveys will be sent to an independent research firm that will process the responses.

How long will the survey take to complete?
The survey should take no more than 5 minutes to complete.

What's going to happen with the responses?
Once the results are compiled we will issue a short summary report of the findings. We will use this information to create action plans to address problem areas.

How often will I be surveyed?
Twice each year, at most.

I'm surveyed "to death". Is this really that important?
Yes. It is important for the company to understand employee concerns. And it's important for you to have an opportunity to candidly share your feedback.

About the Authors

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