

Are You Leading or Lagging? Building Strategic Next Steps Into Your Survey

By Jeffrey A. Jolton, Ph.D., Kenexa

At the start of the school year, my third-grade daughter came home with a practice math test. The test is given at the end of each month and contains a range of math problems. It starts with very simple addition and ends with more elaborate addition and multiplication equations.

Initially, the test was quite daunting to my daughter. "I'll never be able to finish this! I don't even know multiplication yet!" she cried. Yet as each month passed, she would bring home the monthly test and take pride in her clear improvements and gained knowledge.

The value of this test, and this anecdote, is to illustrate the power of providing both leading indicators as well as lagging indicators on an assessment. Lagging indicators reflect those processes and actions that one should have already achieved (in this case, simple math). Leading indicators reflect those processes and actions one knows you have not yet achieved, but would like to or need to achieve in order to be successful (multiplication).

Good employee survey design reflects good strategic thinking. Good strategic thinking involves both an understanding of where you have been and where you are going. Unfortunately, most survey content is heavy with lagging indicators measuring where the organization has been, yet light on any leading indicators pointing the way to where the organization is going. Ideally, there should be a balance to help your organization continuously move forward.

Looking Over Your Shoulder

Employee surveys have always been a useful measure of how well an organization is doing in its practices and procedures. When well designed, they provide insight into employees' perceptions, organizational behaviors and achievement of certain initiatives.

Surveys are also very helpful in monitoring the "foundation" factors that help make an organization successful. Much like simple addition, these are basic steps the organization needs to have in place to achieve more challenging objectives.

For example, an organization may aspire for its employees to truly embrace the company's strategy and breathe life into it in everything they do on their job. To work toward this goal, foundation factors that should be in place include good communication of the strategy from senior leadership, employee understanding of this strategy, and trust that leadership is moving the company in the right direction. Having these factors in place will help the company achieve its more lofty goals of creating passion around the company's strategy.

If you survey effective organizations, you will likely find that most of their employees would have a high favorable rating on performance of these areas. The companies probably know they are already doing well in these areas. As such, by measuring these elements in the survey (lagging indicators in the survey), they are effectively looking over their shoulders—confirming what they already know.

This validation is important. It makes sure that their perceptions are accurate. It also provides clues to any problems that might be bubbling beneath the surface. There may be room to strengthen the foundation as the company moves forward. Thus, the lagging indicators measuring these elements provide a specific value. They gauge what we have accomplished over time, and confirm that the basic needs of our company initiatives are being met and strengthened.

Many organizations, however, become fixated on these lagging indicators and do not expand their thinking to the next steps. If your

organization has ever “topped out” on a survey consistently—that is, scored very favorably and above the normative comparisons on most of the items in the survey—then the survey is probably too reliant on lagging indicators.

The consequence of this is that you are spending all your survey energy measuring things that have already been mastered. You need to start thinking about what you are putting on these foundations. Where are you going? What are the next steps?

Looking Ahead: Defining Your Next Steps

There is a tendency by some to view what is currently being measured on the survey as the only end goal for your organization. In reality, we know that organizations continuously change and evolve. There is no “absolute end.” The survey program should help lead this evolution. It has the potential to pull the organization into its desired future, not just reflect on its recent past.

This is where the power of leading indicators in your survey comes into focus. Regardless of what is measured in your survey, there should be some thought as to what your organization wants to do with success in those areas.

Although there is no single way to best determine what the leading indicators should be for your company (it is as unique as your organization’s approach to strategic planning), there are some suggestions to help guide you:

1. Review your current survey content and results.

Look to see if you are measuring a lot of things that are already known by the organization as its strengths. Consider those areas on your survey results where you are performing well. If there are a clear number of strengths, then you might want to consider adding more leading indicators to your survey content.

2. Focus on those areas that need a next step.

Once you have identified areas of strength, focus on these as ends to current initiatives or strategies. Try to refocus one to three of these strengths in terms of being a means to the next end. Ask the question “Now that we have achieved this, what are we going to do with it? Where will it take the organization?”

3. Involve your leadership in the discussion.

Leading indicators require more in-depth strategic thinking than what is typically planned for during the survey design stage. Whether your survey program is brand new or well established, there should be an ongoing dialogue with the leadership regarding the direction they want the company (and the survey) to take. You can have a survey program without this involvement, but not with the same impact the program has when leaders are part of the discussion.

4. Keep measuring your foundation.

A good survey will have the right balance between lagging indicators and leading indicators. Even in areas where you are strong, it is advantageous to keep one or two foundation measures in place. These are usually items that have some kind of normative comparison. In areas where you need more development, or there is inconsistency of scores across the organization, you may need more lagging measures to help build a stronger foundation and create alignment across the organization.

5. Define your leading indicators.

Avoid the risk of getting too ambitious with the next steps. Keep focused on one to three next steps to be measured in the survey. These items tend to be more customized to the organization, so they should be carefully written to clearly direct managers’ actions appropriately.

6. Train your managers.

Help your managers who use the survey results to understand how to prioritize results. A manager who is not doing well on the lagging indicators is also likely not doing well on the leading indicators either. When it comes to action, he/she could pick either item. Guide the manager to focus on any priority items first (i.e., those that drive engagement) and to know the difference between the lagging and leading indicators. This will help all managers build the foundations they need to be part of the future success.

Returning to our “live the values” example: Let’s say that we know from our experience and from previous surveys that the foundations we already described (strategy is communicated, understood and trusted) seem to be in place for most of the organization. People know what the values are. This is not enough, however, to bring the strategy to full life.

Using next-step thinking, the company plans what it will do with this knowledge, understanding and trust in the strategy. Leading indicators that match desired company behaviors are then defined. These indicators may include measures of how well employees are encouraged by managers to incorporate the strategy into performance plans and goals, how much the strategy “inspires” employees in their day-to-day work, and how effectively the organization rewards and recognizes those who are bringing the strategy to life.

These elements may not yet be fully in place, but they are things that the organization hopes to achieve. By measuring these things in the survey, the company is not just giving managers actions to work on once foundation factors are in place, it is communicating to its employees and managers what it wants to achieve—just as my daughter’s math test told her not only what she should know, but also conveyed to her what she will hopefully learn.

Adopting leading indicators in your survey means accepting the reality that good surveys are changing documents. Some elements are retained over time, while new elements come in to help direct future actions. As your survey evolves over time, leading indicators will slowly become lagging indicators themselves, waiting for you to take things to the next step again. And like my daughter, you can reflect on the satisfaction of your accomplishments, and be inspired to do more. ■

About the Author

Jeffrey A. Jolton, Ph.D.

Jeffrey A. Jolton, Ph.D., is the director of global services at Kenexa, overseeing the project management and thought leadership for many of Kenexa's largest global survey projects. Dr. Jolton has over 15 years of extensive consulting experience, which have made him a leading expert in assessment-based organizational change. He has applied his innovative and insightful guidance to number of global businesses ranging from retail giants such as The Home Depot and Gap Inc. to leading financial and professional companies such as Allianz, HSBC, PricewaterhouseCoopers and Wachovia, as well as other global organizations such as DPWN, Textron and Pitney Bowes. As Director of Global Services, Dr. Jolton oversees project teams in all corners of the world including Germany, Hong Kong, Singapore, the United Kingdom and the United States.

Dr. Jolton is a regular presenter at numerous professional conferences and has more than 25 publications in professional and scientific journals. Recent topics of his works include understanding dysfunctional organizations, global truths about employee engagement, the role of critical thinking in strategic planning and behavior change across the global spectrum. He holds a Doctorate and a Master of Science degree in Industrial and Organizational Psychology from Ohio University.

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866.391.9557