Strategic Surveying in the Global Marketplace and the Role of Vitality Measures

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Chapter 11 of Going Global: Practical Applications and Recommendations for HR and OD Professionals in the Global Workplace, Kyle Lundby
As the global economy descended into recession in 2008, organizations struggled for survival. For many, short-term performance became the only focus. The long-term performance would not matter should an organization perish. Very few industries and very few corners of the planet were spared from financial threat.

As the recession seemed to stabilize, many organizations realized—at least in the abstract—that the economic lull could be used to build the discipline of becoming more effective. Certainly cost cutting forces prioritization of what an organization values. But questions loomed: What kinds of cuts satisfied the needs of current performance, and what kinds sacrificed future potential? What kinds of opportunity could emerge from this crisis?

While these are questions brought into sharper focus due to the recession, they highlight the general objective of optimizing present-day operations while investing in the innovation required to remain vital into the future. In fact, according to the Random House Dictionary, the second definition of vitality is the “capacity for survival or for the continuation of a meaningful or purposeful existence: the vitality of an institution” (italics included in original citation, www.dictionary.com, 2009). Some of the data that we have seen suggests that many organizations in this time period are more strongly focusing on getting their internal houses in order, reorganizing, slimming down and (perhaps in their view) cutting their way to prosperity and are putting somewhat less emphasis on modifying products and services to meet current customer desires. Other organizations are striking more of a balance between internal efficiencies and retooling products and services to appeal given the current market conditions.
While there can be many metrics to address the vitality of an organization, this chapter deals with what employees can tell us that helps to predict and manage future success. We will begin with an illustration of global research addressing Employee Confidence, a construct which taps directly into employee evaluations of the future. Results from countries representing the world’s dozen largest economies will highlight a fundamental message: While cultural and national differences may challenge our ability to compare employee opinions across countries, there is still very valuable information remaining enabling us to predict performance, to draw conclusions, and correspondingly to manage the global workplace.

We will then draw the lessons of Employee Confidence into a larger model of Organizational Vitality, built from a cross-pollination of organizational literatures. There are direct implications from this model for monitoring and managing global organizations via employee survey techniques.

**Setting the Global Stage**

For multinational organizations, one goal of a strategic employee survey is to collect a uniform metric that can be used as business intelligence, information gathering or monitoring measure to determine how the organization is performing and where the organization can most benefit from interventions. There are many challenges to the successful completion of this goal, and among them is the nature of globalization itself, the attempt to apply in a uniform fashion a measure to spread across a significant array of cultural, economic, functional, and legal differences, an organization by literal definition is attempting to assert a degree of “sameness” or consistent governance across the enterprise.

However, if we concluded that the extent of global diversity prevented any kind of systematic comparison across global units, then we would be at an impasse. One fundamental premise of this chapter is that people are more the same than different, and that while multinational organizations
management decision making and the operational characteristics of an organization? More concretely, do they impinge on our ability to predict traditional measures of financial performance? This point is explored in the program of research below.

**Case Study: Employee Confidence**

The premise behind Employee Confidence is that individual employees know how their organization is faring, each from his or her unique perspective. And while no employee, including the CEO, has a comprehensive or total understanding of how the organization is doing, by collecting Employee Confidence information from the employee population or a significant cross-section of the employee population, in aggregate that information represents a “group intelligence” and if asked the right questions, the providers of this group intelligence will shed light on organizational performance related issues that is not only a very good predictor of what is actually happening within the organization but also a road-map to organizational improvement, suggesting specific interventions to enhance performance. This “employee as observer” framework has been examined for thirty years (e.g., Schneider, Parkington & Buxton, 1980). By this definition, organizations that exhibit a higher level of Employee Confidence are more vital.

Employee Confidence is measured by asking the employees of an organization about their perceptions within four key areas, two related to organizational performance and two that are related to the individual’s personal situation within the organization. A high level of Employee Confidence is achieved when an employee perceives their organization as being effectively managed with good business processes, competitively positioned with attractive products/services and believe they have a promising future within their organization, and if needed, transportable skills that would be attractive to other employers.

**Measuring Employee Confidence**

Employee Confidence consists of two sub-dimensions, Organizational Confidence and Personal Confidence and each of these sub-dimensions has an internal and external factor. The internal part of Organizational Confidence focuses on the internal functioning of the organization (e.g. managed well, effectiveness of business processes, and financial health/discipline). The external part of Organizational
Confidence focuses on the environment in which the organization operates (e.g. industry health, competitiveness, attractiveness of products and services).

The internal part of Personal Confidence focuses on the employee’s future with their current employer and is the traditional driver of how employee loyalty was generated from the employee’s perspective (e.g. job security, promising future, preparation for future). The external part of Personal Confidence asks about the employee’s perception of what would happen to them if they had to go onto the job market (e.g. skills would allow them to find a similar job, with similar pay and others are hiring people with their skills). External Personal Confidence represents “career” security, the ability to work within your profession, rather than “job” security, the ability to remain with your current employer which is represented by Internal Personal Confidence.

As a model the Employee Confidence concept can be depicted with a 2x2 chart as shown in Figure 1. For the study described below, each cell of this 2x2 was measured using three corresponding survey items.

**FIGURE 1: The Employee Confidence Framework**

Beginning in June of 2008, quarterly web surveys were administered to a global sample of approximately 15,500 full-time employees in the private sector, at least 18 years in age and working in companies with at least 100 employees. The countries included in the sample were Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, Spain, United Kingdom, and the United States, representing approximately
75% of the world’s gross domestic product. Five thousand employees were included from the United States, 1,000 from each other country with the exception of Russia where 500 are sampled. Respondents are from panels that have agreed to answer surveys in each country (the respondents from administration to administration are not necessarily the same). The samples were checked to ensure that they conformed to the demographics one expects within each of the countries included (e.g., 50% male, 50% female). Twelve core Employee Confidence items and various outcome measures (e.g. pride, turnover potential,) as well as consumer intention items along with demographics and organizational characteristics were asked. Additionally, respondents were asked to provide the name of their organization, enabling matching to publicly available financial information where available.

Employee Confidence Findings

As of this writing 5 quarters of data have been examined within the Employee Confidence framework, the June 2008 baseline and four subsequent quarters. Within the sample, the responses associated with Employee Confidence follow a normal distribution and have been found to relate to multiple business performance outcomes and financial/economic measures.

Gross Domestic Product

A rank order correlation between change in Gross Domestic Product and Employee Confidence for each of the twelve countries in the sample revealed a significant rho of .87 (replication six months later yielded .77). The BRIC countries (Brazil, Russia, India, China) in general had the highest Employee Confidence scores. In other words those countries with higher levels of Employee Confidence are more likely to be ones with rapidly growing economies (see Table 1).
TABLE 1: Employee Confidence Aligns with Change in Gross Domestic Product

<table>
<thead>
<tr>
<th>Country</th>
<th>Confidence Rank Order</th>
<th>Δ 2006 GDP</th>
<th>ΔGDP Rank Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>1</td>
<td>9.70</td>
<td>2</td>
</tr>
<tr>
<td>Russia</td>
<td>2</td>
<td>8.10</td>
<td>3</td>
</tr>
<tr>
<td>United States</td>
<td>3</td>
<td>1.82</td>
<td>6</td>
</tr>
<tr>
<td>China</td>
<td>4</td>
<td>11.40</td>
<td>1</td>
</tr>
<tr>
<td>Brazil</td>
<td>5</td>
<td>5.40</td>
<td>4</td>
</tr>
<tr>
<td>Canada</td>
<td>6</td>
<td>1.65</td>
<td>8</td>
</tr>
<tr>
<td>Germany</td>
<td>7</td>
<td>1.71</td>
<td>7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8</td>
<td>1.43</td>
<td>9</td>
</tr>
<tr>
<td>Spain</td>
<td>9</td>
<td>1.84</td>
<td>5</td>
</tr>
<tr>
<td>France</td>
<td>10</td>
<td>1.14</td>
<td>10</td>
</tr>
<tr>
<td>Italy</td>
<td>11</td>
<td>-.04</td>
<td>12</td>
</tr>
<tr>
<td>Japan</td>
<td>12</td>
<td>1.01</td>
<td>11</td>
</tr>
</tbody>
</table>

Three of four rapidly expanding economies

Three of four slowest growth or shrinking economies

\[ \text{rho} = .87 \]

The significant relationships demonstrate that whatever the cultural component of Employee Confidence, there is a substantial amount of useful and meaningful country-by-country variance related to economic factors. In fact, the most meaningful trends in Employee Confidence from June 2008 to June 2009 can be readily mapped to economic events and business news within each country (see Table 2). Note that these qualitative analyses focus on changes in Employee Confidence. Using each country as its own baseline helps to highlight growth or decline as less influenced by the myriad of factors that make global comparisons difficult. Note that each country’s score was set to 100 in June 2008, and changes since then are a proportion against that baseline. The Table shows whether their Employee Confidence has increased when compared to the June 2008 baseline (numbers above 100), or whether it has declined (numbers below 100). This method provides a reasonably culture-free way of assessing change within each country, since each country has the same starting point of 100 regardless of raw score. It could be argued that certain cultures would have different “rates” of change against the baseline over time driven by culture, but the analyses performed so far has shown no evidence to support that notion. This method could also be used with large international organizations or those with diverse product
lines as a method to create an apples-to-apples comparison of change (improvement or decline) across the organization.

**TABLE 2: Employee Confidence Percentage Scores**

<table>
<thead>
<tr>
<th>Country</th>
<th>Δ 2Q09-1Q09</th>
<th>2Q 09 EC</th>
<th>1Q 09 EC</th>
<th>4Q 08 EC</th>
<th>3Q 08 EC</th>
<th>2Q 08 EC</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>5.3</td>
<td>98.9</td>
<td>93.6</td>
<td>101.4</td>
<td>103.4</td>
<td>100.0</td>
</tr>
<tr>
<td>UK</td>
<td>4.6</td>
<td>99.0</td>
<td>94.4</td>
<td>102.6</td>
<td>103.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Germany</td>
<td>7.6</td>
<td>99.0</td>
<td>91.4</td>
<td>101.3</td>
<td>100.7</td>
<td>100.0</td>
</tr>
<tr>
<td>France</td>
<td>8.4</td>
<td>101.4</td>
<td>93.0</td>
<td>101.5</td>
<td>99.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Canada</td>
<td>1.6</td>
<td>98.9</td>
<td>97.3</td>
<td>99.9</td>
<td>105.4</td>
<td>100.0</td>
</tr>
<tr>
<td>China</td>
<td>12.5</td>
<td>102.3</td>
<td>89.8</td>
<td>100.7</td>
<td>99.9</td>
<td>100.0</td>
</tr>
<tr>
<td>India</td>
<td>8.1</td>
<td>99.6</td>
<td>91.5</td>
<td>99.3</td>
<td>100.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Russia</td>
<td>12</td>
<td>100.9</td>
<td>88.9</td>
<td>98.3</td>
<td>101.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Brazil</td>
<td>6.8</td>
<td>107.2</td>
<td>100.4</td>
<td>106.4</td>
<td>105.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Japan</td>
<td>-0.7</td>
<td>93.8</td>
<td>94.5</td>
<td>93.6</td>
<td>99.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Spain</td>
<td>3.9</td>
<td>96.0</td>
<td>92.1</td>
<td>100.5</td>
<td>100.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Italy</td>
<td>5</td>
<td>97.8</td>
<td>92.8</td>
<td>100.3</td>
<td>101.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Notes:

- Brazil exhibited the most positive employee responses relative to Q208. Brazil was the only country to be rated “downturn” rather than “strong slowdown” in December 2008 by OECD on “growth cycle outlook”
- SHANGHAI, July 16th NY Times – Fueled by an ambitious economic stimulus program and aggressive bank lending, China’s economy grew by 7.9 percent in the second quarter of this year, the government said Thursday, a surprisingly strong showing given the world economic crisis.
- Tokyo, April 30 (Reuters) – Japan’s industrial output rose more than expected in March (1.6%), the first gain in six months.
- China and Russia strongly bounced back, as did France, India, and Germany in Q209. Four of 12 countries equal or exceed initial score of 100.
- These rankings also match events as reporting in The Wall Street Journal, there is exceptionally high unemployment in Spain, the UK’s economy is posting steep drops, which are dashing hopes for a quick recovery.
Unemployment

The second quarter 2009 administration of the Employee Confidence survey, with a bolstered sample of more than 10,000 respondents, enabled a state-by-state comparison within the United States. Additionally, since US economic data are more regularly and readily available than that for many countries globally, we were able to compare unemployment before, during and after the survey. In short, Employee Confidence correlated significantly with unemployment, fractionally stronger with the survey measure as a leading indicator of subsequent quarter unemployment (-.42) than as a concurrent (-.36) or lagging (-.38) indicator.
Figure 2 shows the relationship of Employee Confidence in the second quarter of 2009 as related to unemployment in the third quarter.

**Company Performance**

Aggregating employee opinions to a country or state level helps to illustrate that employee opinions have relevance and usefulness across cultural and governmental borders. However, organizations are typically interested in driving their own financial results as opposed to macro-economic performance. With a sub-sample of US-based organizations, public financial records were matched to individuals’ survey results. Findings included:

- Companies with top quartile Employee Confidence averaged -16.79%, three-year total rate of return (TRR), contrasted against companies with bottom quartile Employee Confidence at -37.66%. Note that these distressed financial results were due to the study’s coinciding with the recession of 2008/2009.

- Diluted Earnings per Share showed a change of +2.33 where individuals had top quartile Employee Confidence, versus -5.74 for the corresponding bottom quartile Employee Confidence group.

Additionally, Employee Confidence matched self-report measures of recent organizational performance. Sixty-eight percent of those with high Employee Confidence reported that their company performance has improved over the last twelve months versus 53% of those with low Employee Confidence reporting that it has declined (see Figure 3). Thus, we can conclude that employee perceptions of performance align with the fiscal reality.
Consumer Confidence

It could be logically argued that the source of consumer confidence comes from what is happening to the individual employee at work. If a worker is concerned about losing their job or has other reasons to doubt the health of the organization, they are likely to put off buying that new car, refrigerator or home. The perception of current financial well-being and people with low vs. high levels of Employee Confidence was examined to see if differences would emerge in their anticipated consumer spending.

It is very clear that those with lower levels of Employee Confidence express more worry about their personal financial well-being and that this worry carries over to stated intentions regarding consumer spending (see Figure 4). Additionally, Employee Confidence was also found to mirror the pattern seen on the monthly measure of consumer confidence published by the Conference Board (see Figure 5).
FIGURE 4: Employee Confidence and Purchasing Confidence

Currently worried about personal financial well being to a great extent

Are delaying current purchases to a great extent

Note: values represent percent favorable

FIGURE 5: Employee Confidence and US Consumer Confidence.

<table>
<thead>
<tr>
<th>2Q08 - 2Q09</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conf. Board</td>
<td>51.0</td>
<td>51.9</td>
<td>56.9</td>
<td>59.8</td>
<td>38.8</td>
<td>44.9</td>
<td>38.0</td>
<td>37.7</td>
<td>25.3</td>
<td>26.0</td>
<td>39.2</td>
<td>54.8</td>
<td>49.3</td>
</tr>
<tr>
<td>ECI</td>
<td>100.0</td>
<td>101.5</td>
<td>98.7</td>
<td>93.6</td>
<td>98.9</td>
<td>104</td>
<td>102</td>
<td>99</td>
<td>95</td>
<td>100</td>
<td>98</td>
<td>97</td>
<td>100</td>
</tr>
</tbody>
</table>

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Case Study Conclusions

The lessons of this case study are as follows:

- National differences in Employee Confidence clearly exist.

- Because of the significant relationship with changes in GDP (initial rank order coefficient of .87 and replication of .77), clearly a substantial proportion of country-by-country variance can be explained by economic factors, and not simply cultural factors.

- Employee Confidence has worldwide meaning and predictive value.

- Within country changes in employee opinions are more comparable than raw scores. For example, comparing China’s raw score to other countries (it has the fourth highest) is much less valuable than comparing China’s change from June 2008 to June 2009 (it is the second largest improvement).

- Employee opinions about the future (company performance, competitive standing, personal promising future, etc.) reflect organizational vitality, as demonstrated by relationships with a variety of economic health indicators (consumer confidence, unemployment) and company financial metrics (DEPS, TRR).

Enduring Survey Purposes

What is the real point of organizational surveys? Whatever the specific angle of any given survey effort, survey programs are intended to produce change. Perhaps more progressive systems are designed to promote the discipline of change management, of listening and responding to important constituents and feedback about organizational performance. In fact, they share this in common with any measurement system (accounting systems, customer surveys, quality audits, sales forecasts, six-sigma methods etc.).

Stepping back from surveys in particular, what are the common areas that organizations attempt to change? What are the most common challenges companies face? To address this question, many models of organizational effectiveness exist, from the simple (Five Stages of Organizational Decline, Collins, 2009) to the involved (e.g., Burke-Litwin Model, Burke & Litwin, 1992), and the academic (Systems Model, Katz & Kahn, ) to the applied (Balanced Scorecard, Kaplan & Norton, 1996; McKinsey 7 S Framework, Peters & Waterman, 1982) to the hybrid
(High Performance Model, Wiley & Brooks, 2000). Stepping back from any single model, there appear to be five enduring challenges that virtually any organization faces in its pursuit of growth and financial sustainability, or more generally, vitality:

1. **Customer Loyalty.** Organizations seek to create value by providing customers—particularly paying customers—with valued and competitive products and services.

2. **Progressive Innovation.** This reflects the creation of value through refining and inventing future products and services.

3. **Quality Work Processes.** Products need to be efficiently created and, along with services, effectively delivered.

4. **Engaged Employees.** Organizations need to create an engaging experience to encourage the most from the people who fuel the processes, create the innovation, and deliver for the customers.

5. **Clear and Compelling Leadership.** The overarching mission and direction of the organization needs to be developed and translated through its leaders, in order to properly secure and align resources.

The Employee Confidence case study illustrates one version of slicing across these areas, touching particularly upon engagement, leadership, and customer competitiveness. There is, in fact, a rich history of research linking these topics to organizational climate and performance. Recent reviews for each topic include Brooks et al. (2006) for Customer Loyalty; Bledow, Frese, Anderson, Erez and Farr (2009) for Innovation; Miron, Erez & Naveh (2004) for Quality; Macey and Schneider (2008) for Employee Engagement; and Efron, Greenslade, & Salob (2005) for Leadership.¹

We argue that the vital organization is the one which can focus on improving these disciplines, becoming a change-ready organization, enabled to meet its challenges.

**Organizational Ambidexterity**

Each of the five challenges can be addressed on two levels, maximizing current performance and developing future potential. For example, the Leadership challenge can involve enhancing current leadership behaviors (e.g., communication

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¹ We do not present these five as the only challenges an organization may face. Certainly there can be crises of ethics, weak financial discipline, regulatory issues, progressive sustainability interests, and so forth. But these reflect core challenges that apply virtually universally to any organization.
and prioritization), as well as developing a succession plan for the next generation of senior executives. Since no organization has unlimited resources, whether those resources are money, talent or time, the appropriate balance, a balance leading to maximum vitality must be struck between current performance and future potential. Table 3 provides examples of how each of the five areas can have a current performance and a future potential component.

Table 3: Enduring Challenges Involve Both Current Performance & Future Potential

The pursuit of maximizing current performance generally involves streamlining systems, increasing scale, decreasing costs, and other efforts to control and standardize the organization’s efforts. The pursuit of developing future potential generally depends less on control and more on creativity. It is an inherently riskier endeavor. Thus, there is a built-in tension between exploiting current opportunities and exploring future potential. The management of this tension is called Organizational Ambidexterity (e.g., O’Reilly & Tushman, 2004).

While a full elaboration of Organizational Ambidexterity is bigger than the scope of this chapter, it represents an emerging organizational science of balancing priorities focused on building efficiencies and process within a paradigm vs. encouraging creative exploration into new paradigms (see Bledow et al., 2009). While it may not impact a traditional survey program, any model of organizational effectiveness needs to incorporate this tension, and perhaps new survey programs need to take it into account.

Organizational Resilience

Organizations are run by people and people face challenges in pursuing common goals
and in day-to-day efforts to enhance performance. Striking just the right balance with how to invest in organizational improvements, for example choosing between maximizing current performance and developing future potential, is a chief concern with which organizations—and people—struggle. Being resilient in addressing these challenges is a necessary component to maximizing the vitality of the organization. As described below, resiliency is an organizational characteristic, as well as a personal attribute, that in conjunction with balancing the resource allocations associated with maximizing current performance and future potential which would lead to increased levels of organization vitality.

Measuring the organization on a global scale, as can be done with Employee Confidence, is one effective way of predicting and managing an organization’s future—in effect, to manage organizational change. “The pace of change is quickening” is a true statement, not just within an industry, geopolitical entity or by level of industrialization but globally. How an organization deals with change and its pace, both at an individual and at an organizational level, will determine its long-term success. The old notion that an organization can achieve long-term stability in its customer base, product line, operating processes, or technology is unrealistic if the organization is to thrive and cope with today’s ongoing challenges. Today’s environment is more volatile than ever and will remain so for the foreseeable future. Challenges will become more and more “routine,” and responding effectively to them will be a “normal” issue that organizations need to be equipped to face. Organizations need to be able to cope with challenges and to do so in a way that is sustainable and does not limit future options. In fact, balancing the need to drive performance in a definitive fashion while keeping future options open are two goals that are somewhat in opposition. Both are required for success (Berkes, Colding, & Folke, 2003). Organizations that perform well in these areas as they deal with their challenges will be by definition more resilient to threats and will be exhibiting higher levels of vitality.
"If a corporation aspires to perform as well as the market indexes over the long term, it will have to change at the pace and scale of the market, but without losing control. Companies, of course, do not have to change at the pace and scale of the market, but if they do not, then the research from McKinsey’s Long Term Performance Database shows that they are more than likely to underperform for their investors.” (McKinsey & Company, 2009).

Resiliency is a construct that has generated increasing interest since the 1990’s and has been studied at the individual and organizational level. Being resilient is the notion of positive adaptation when faced with significant adversity or environmental threats (Rutter, 1993). This definition implies that significant threats or severe adversity is present and that the individual or organization positively copes with those threats. Being more resilient rather than less has been shown to lead to positive outcomes for both individuals and organizations (Cohn, Fredrickson, Brown, & Mikels, 2009; Berkes, Colding, & Folke, 2003). Vitality is the aggregation of resiliency measures and other critical metrics of organizational performance that when tracked and improved upon increases the organization’s ability to deal with the increasing volatility seen in the organization’s environment. Under normal conditions, the data suggest, an organization whose vitality measures are appropriately designed, accurately measured and higher than the competition will not only achieve higher levels of resiliency but will also outperform that competition. It is important to note that the vitality data represented by these concepts have been found to be malleable, changeable over time if the correct measures are teamed up with appropriate change processes. Protection from a loss of vitality and resilience does not only involve the factors impinging at the moment, but rather the way the organization deals with the ongoing and future risks and threats – processes which are potential inflection points in the organization’s life. Being able to maintain the vitality of the organization and its level of functioning when environmentally challenged will be dependent upon:
1. The level of the threat or degree of risk that the organization is facing, including the performance of the organization on the five common challenges cited earlier:
   a. Customer Loyalty
   b. Progressive Innovation
   c. Quality Work Processes
   d. Engaged Employees
   e. Clear and Compelling Leadership.
2. The organization’s response to the threat or risk and its ability to turn that risk into opportunity,
3. The appropriateness of the vitality measures that the organization is tracking, and
4. The processes and mechanisms that the organization has in place to maintain those vitality measures at a high level.

Three broad areas focusing on the environment the organization resides within, the investments the organization is making, and the achievements which the organization celebrates contain six key vitality process can be brought to bear to help address the threats that the organization faces including:

Environment
- **Monitoring:** Information collection/environmental monitoring (e.g., employee, customer and supplier surveys, the gathering and analysis of other business metrics)
- **Reducing:** Minimizing the occurrence of negative chain reactions that can occur from one threat, before they spiral out of control. (e.g., strong internal and external communications networks).

Investment
- **Warding:** Investing in a shared vision, a shared operating style, senior leadership, employees, products and services and quality – the standardization of those products and services as well as organizational procedures.
- **Transforming:** Turning risks into opportunities by developing a culture of innovative and in creating organizational capabilities
- **Enhancing:** Increasing organization effectiveness and efficacy (e.g., cost control, state-of-the-art business processes, contingency planning)

Achievement
- **Celebrating:** Celebrating and rewarding organizational and personal accomplishments (e.g., successful completion of goals, reward & recognition systems)
Overall a well-designed framework builds in a positive fashion off outcomes traditionally cited as the marks of resiliency in a person or organization, including reduced failure probabilities, reduced consequences from failures and reduced time to recovery (Holling, 1973). Specific vitality factors have been linked to increasing organizational performance (Brooks et al, 2006), and the organization’s ability to achieve satisfied customers (Kendall, 2006). While they should be tailored to each organization, specific factors can include:

1. Having a confident, engaged workforce
2. Not taking success or customers for granted
3. Producing quality products and services that meet customers’ current needs
4. Delivered with a customer service orientation
5. With perceived value in products/services
6. Operating with a disciplined growth orientation
7. Implementing effective business processes
8. Having effective leadership
9. Overall, ensuring the right people in the right jobs
10. Developing a strong new product/service pipeline
11. Operating in a sustainable fashion
12. Operating with ethics and transparency.

**Measuring Vitality and other Metrics in a Globalizing World**

Organizations work hard to maximize performance by increasing their effectiveness. Efficiencies are strived for, the ability to do more with less, and if at the same time the organization can minimize risk to itself that is just icing on the cake. The complexity of these goals increases exponentially as the size and complexity of the organization increases. Global organizations that need to deal with varied divisions or business units spread across multiple countries, with unique cultures, political situations, infrastructures, and so forth face particularly challenging situations. Much research has been done to quantify the differences and the similarities that are apparent within the workforce across various countries and cultures. Some of the research seems to chiefly focus on the differences that exist (Hofstede, 1984), while others focus more on the similarities (Lundby & Hui, 2008). But in many respects everyone is after the same thing, increasing organizational effectiveness.

We can derive models that highlight our similarities or models that highlight our
differences, but the main question is, are we collecting, monitoring and analyzing information that makes a difference in the performance for the organization under study? That question is often answered by undertaking linkage studies, where employee opinions are aggregated by work group or business unit, and matched to various measures of performance (e.g., customer satisfaction, financial performance) and then analyzed for impact. While there are methodological approaches to controlling for cultural or other geographic differences, this kind of research is based on the notion that creating a similar measure of employee opinions across various countries and cultures is in fact legitimate. One challenge researchers of organizational culture face is to determine if broad, across-the-globe measures of opinions are appropriate, and in fact, if they measure anything approaching the same constructs in differing societies. The questions emerge: Are we more similar when it comes to how you measure attitudes or are we more different, requiring perhaps a differing measurement instrument depending on where you happen to be located? Do individual differences outweigh our ability to develop a uniform measure, or can well worded questions embedded within robust paradigms win out in creating global measures of psychological constructs seen within organizations? As the case study presented earlier demonstrates, there can be enough commonality across employee opinions aggregated at a country level to result in significant and meaningful relationships with changes in Gross Domestic Product. Accommodating for cultural differences would likely only improve upon this already substantial relationship. For researchers and for organizational leaders of global organizations, this is a fortunate and perhaps necessary foundation. With some measures, like Employee Confidence, more is better no matter where—or how—you live in the world.

While it may sound like an oxymoron-like phrase, we, as human beings are all fundamentally the same and yet all of us, each and every one of us is uniquely different. We are all human and our humanness forces each of us to operate and experience the world within the evolutionarily derived boundaries of Homo sapiens. Yet what we celebrate (or perhaps should celebrate) most about our humanness is our individual differences and the freedom we have make choices, which together yield an infinite number of ways in which we can
express our humanity. We all may have a unique fingerprint, but we all have fingerprints. Some of us choose to work in healthcare, others to plant crops, some sell goods or services, others teach, drive a taxi, work in construction, practice law, become an accountant, sing on a stage, play sports, operate a business, or a whole host of other activities. Some of us prefer to live in urban environments, while for others only rural will do. Some of us prefer to travel and others are homebodies, perhaps even living within a few miles of where they were born. Some of us take comfort in being religious and others are not religious. Some get married, perhaps having children, others prefer to stay single. The great majority of us will have opinions and ideas throughout our lives that will be strongly shaped by the cultures, and societies in which we grew up, the experiences we had, and our choices will be influenced accordingly.

As we make those choices we are creating a unique set of outcomes that helps to define ourselves. For instance the rural construction worker, who married his high school sweetheart, has three kids and a dog and likes to travel to new places each time they take a vacation. That is a combination of characteristics that get accumulated over the course of one’s life that helps to differentiate each and every one of us from the others. However, as we pick and choose between the enormous numbers of choices that are possible as we experience our lives, we are all in pursuit of the same thing. We have the expectation that should we able to achieve our goals, whether they are to work in healthcare, construction, plant crops, travel, get married and have kids. We should be able to fulfill these goals or our visions of the future, that somehow we will be happier. We make these choices and live our lives in the pursuit of happiness, an underlying fundamental of our humanity. When people feel that they have no or few options available to them they tend towards depression, and one intervention to assist those who feel like they have few options is to help them understand the choices that they do in fact have (Wake, 1992).

Defining ourselves, our organizations, or our societies by focusing on the sameness that exists between them is both illusory and real, as is focusing only upon the uniqueness that defines them. It is illusory for we, our organizations and our various societies are clearly not the same. But it is real in that they all have shared underlying characteristics. The richness that describes the diversity of humanity, our lack of
sameness yields a more robust humanity, with individuals bringing differing experiences, knowledge, skill sets, characteristics and abilities, and differing cultures and societies contributing uniquely to the powerful mix. But we would defy you to find a worker anywhere in the world, of any generation or any other demographic you would care to choose, who did not want to be treated respectfully and in a dignified fashion, or want to feel valued, with a sense of accomplishment springing from their efforts, having a sense of fairness of treatment with respect to equity and pride in their organizations and themselves. And one who would not want to have confidence in the future of his or her organization. We could go on describing other shared characteristics of workers however the point is simply that a large number of shared characteristics do in fact exist.

As we measure ourselves and our organizations from a characteristics standpoint do we focus on our similarities, our differences, or do we somehow attempt to measure both? Is it legitimate to use the same measures of employee satisfaction or loyalty etc. in a highly industrialized, high standard of living country as it is in a country under the constant threat of famine, disease, war or terrorism? The argument is being made that we are both similar and different. We argue that our similarities make it possible to create a measurement with enough robustness to work across the wide spectrum of situations in which organizations are enmeshed.

As great an impact as globalization has had so far, the people of the world today are not homogenous culturally, economically, politically or demographically. And by extension the organizations that operate in a global fashion are not homogenous, culturally, economically, politically, or demographically either. Organizations that operate globally work to maximize their performance across a wide variety of cultures, economic conditions, political systems and demographic characteristics of the local populations. It is a challenge.

Many of these multinational, multicultural, multi-political and multi-demographic organizations in their attempt to assess their organizational cultures use standardized measures across their internal organizational components and this raises a question. By doing this are they measuring the simple fact that each of these divergent components have fingerprints, or are the standard measures and the methodologies employed with them sensitive enough to capture the unique characteristics of each fingerprint
within the organization? What is lost and what is gained in this approach?²

**Conclusion**

Global, multinational surveys are difficult. But they are simply a microcosm of all efforts designed to respond to organizational challenges and to improve organizational functioning in some way. With this in mind, the major themes of this chapter can be wrapped up in a handful of key points:

- Organizational surveys, perhaps especially those in large, global organizations, need to drive toward improving effectiveness.
- Accordingly, the purpose of surveys is not to characterize work climate or cultural differences. There is no denying the impact of culture. However, it is more important to focus on the common “something” that the organization pursues.

Thus, a survey strategy, if truly strategic, is a part of a larger organizational change strategy, one that maps into the five enduring challenges reflected by leadership, quality processes, employee engagement, innovation, and customer loyalty. Employee Confidence provides one example of such a measure.

Thinking of surveys this way parallels the evolution of Human Resources, with the ongoing efforts of HR professionals to increasingly become strategic business partners. HR interests and objectives are increasingly defined first by the needs of their line management clients, and second by their human resources functional requirements (Vosburgh, 2007). As mentioned in the introduction, *vitality* is the “capacity for survival or for the continuation of a meaningful or purposeful existence,” and thereby reflects this notion of starting with the end in mind. Building this capacity is about nurturing the overarching disciplines of resiliency and ambidexterity.

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² This view is similar to emerging conclusions regarding cultural influences in selection and assessment (J. Weekley, personal communication, 22 September, 2009). First, culture does not change the important constructs to assess. Second, culture can change the benchmarks or average scores to a degree (though more for personality than for general mental ability). Third, the validity of these constructs in predicting important performance criteria appear comparable across cultures.
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