



2022 Special Report:

The State of Employee Listening

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Introduction

Employee listening and people analytics have certainly evolved since the days of a paper and pencil survey, a single survey methodology, and one person combing through all the data in an office. Now we have advanced data collection software that seamlessly integrates into HRIS systems and entire teams of data scientists and people analytics experts.

Whether organizations are talking about employee surveys, digital exhaust, employee engagement, “voice of the employee,” or crowdsourcing, organizations today are listening to their employees more often, on more topics, and in more ways than ever before. Technology has also enabled new listening channels, real-time delivery of results, and integration of people data historically relegated to the Human Resources department into an organization’s financial and operational systems.

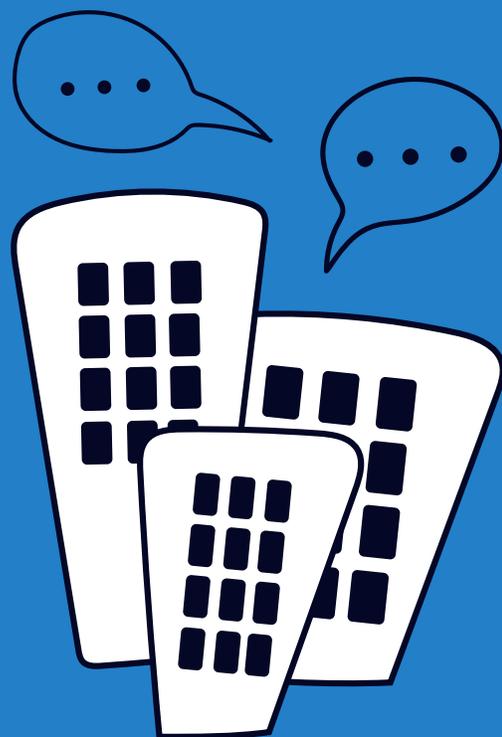
A Study of Organizations

When it comes to employee listening, we wanted to understand the topics being explored, the methods in use today, barriers to success, and more.

Perceptyx recently interviewed human resources decision-makers from more than 600 global organizations with 1,000 or more employees about their current employee listening strategy, how their strategy has changed over the COVID-19 pandemic, and the directions they are taking for future listening. Organizations spanned all major industries and included primary decision-makers, influencers, and non-decision-makers who are integrally involved in the success of the employee listening program. The interview assessed the methods organizations are using to listen to employees, the topics they are exploring, the measures of and barriers to the success of their strategy, and much more, to produce the **industry's most comprehensive report** to date on the state of employee listening.

The Perceptyx People Analytics team wanted to understand the composition of a listening program from its most basic to its most robust. Using this data, the following emerged:

- a maturity model to describe the evolution of an employee listening strategy from its infancy to a fully-mature program,
- how to identify where an organization sits today, and
- what is needed to move to the next stage.



While there is no single best way to listen to employees, there certainly are commonalities and trends among the most successful organizations. It is essential to match the goals of a listening program to the strategies most likely to achieve those goals. In the case of a mismatch, leaders would do well to reassess: do the goals need to change or does the strategy? What does it take to move a listening program to the next level, and how might the performance outcomes improve when the organization matures?

Current State of Employee Listening

Most organizations have a formal listening program in place today and the pandemic has only accelerated their listening activity.



94%

do some amount of formal listening to their employees

2/3

report their formal listening program is at least 3 years old

3 in 4

organizations were motivated to do more listening because of the pandemic

Nearly all responding organizations do some amount of formal listening of their employees (94%), and most have been at it a while, with two-thirds reporting their formal listening program is at least 3 years old, but only 1 in 6 reporting their formalized program is more than a decade old. Even so, organizations are conducting a wider variety of activities to gather employee feedback than ever before. This period—filled with issues from the pandemic to diversity, equity, inclusion, and belonging, to remote work, to burnout and well-being—has accelerated that pace even further.

Nearly three-quarters of organizations say they were motivated to do more listening because of the pandemic and a similar percentage expect to do even more listening over the next 12 months. Very few, only 1 in 25 (4%) organizations, intend to do less listening during this same time frame. This new reality allows for a refreshed evaluation of the effectiveness of listening programs inside organizations.

A Changing Listening Landscape

Frequency of listening activities have accelerated, as has the timeline for acting on employee feedback, enabling a shorter window of time from signal to action.



Organizations are frequently surveying their entire organization - 3 out of 5 (60%) say at least quarterly - and surveying at least a subset of their organizations about special topics even more frequently (See Figure 1).

According to an [HR Zone report on the State of Employee Engagement](#) from 2014, only 18% of organizations were surveying more than one time per year. This three-fold increase in organizational census surveys is made possible by technology that allows for the delivery of results reports in nearly real-time. While literature from the time of the 2014 report indicates that most large organizations could take several months to ultimately develop action plans, Perceptyx research found that more than 60% of organizations are ready to develop their action plans within four weeks of receiving employee feedback (See Figure 2).

The time between [signal and action](#) is becoming shorter, which enables much more frequent listening - and crucially, more frequent action - than a decade ago.

Figure 1: Listening Frequency

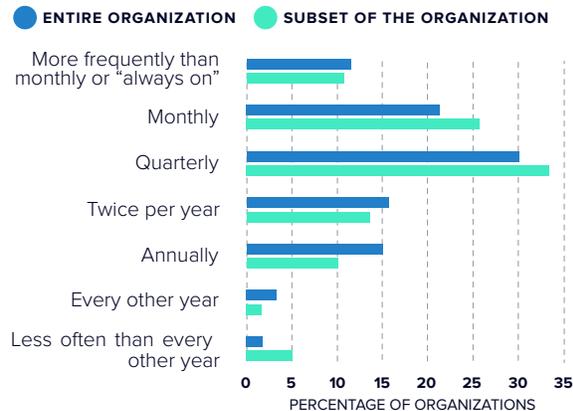
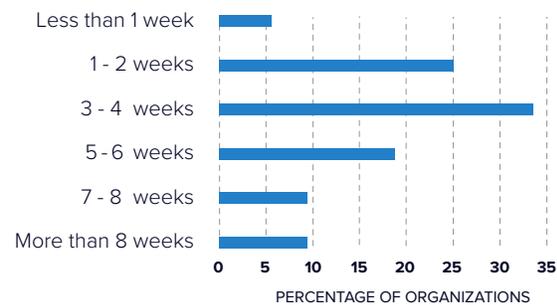


Figure 2: Time lapse between survey close and communication of results to managers



Organizations are also focused on additional listening channels. Our research focused on four key listening channels:



Organization-wide census, sample, or pulse surveys



Lifecycle surveys such as candidate experience, onboarding, and exit



Crowdsourcing, such as specific poll questions, suggestion box, or internal social media



Passive listening (calendar scraping or productivity monitoring software)

Unsurprisingly, traditional survey methods are the most popular choices for organizations, and yet more than half of organizations are using some form of at least three of these listening channels.

Most Organizations Use Multiple Listening Channels

22% Single channel

78% More than one channel

56% At least 3 channels

31% All 4 channels

Building a Maturity Model

As organizations' listening programs mature, not only do the capabilities — listening channels, frequency, speed of action, and skills of the internal team — change, but the outcomes do as well.



Technology has enabled organizations to listen more quickly, using more channels, and on a greater number of topics than they once did, when it took the better part of six months to execute a single survey of the entire organization. Nevertheless, some organizations are still learning to be effective at executing, reporting, and acting on a large-scale organization-wide survey, especially organizations with largely decentralized populations, workers without access to technology or email in the workplace, or those with high attrition. Yet most organizations have evolved their strategies—even large, complex, traditionally slower-moving organizations—toward a more frequent and natural conversation with their employees.

As organizations' listening programs mature, not only do the capabilities - listening channels, frequency, speed of action, and skills of the internal team - change, but the outcomes do as well. Organizations moving from an episodic program to an integrated conversation are more likely to use feedback from employees to accomplish business goals, improve metrics like employee retention and customer satisfaction, be more innovative and resilient, and acknowledge that they make better business decisions because of the feedback they receive.

The Evolution of an Employee Listening Program

600+
Organizations

50+
Listening Practices

4
Stage Employee Listening Maturity Model

In an in-depth Perceptyx study of more than 600 organizations across more than 50 listening practices, a four-stage Employee Listening Maturity Model emerged. Those programs at Stage 1 have the least impact on the overall business performance of the organization, while those at Stage 4 have the greatest impact.

Employee Listening Strategy Maturity

19%
of organizations

Stage 1: Episodic Listening

Focused on a few, planned, large-scale listening events. Results contained within the HR or executive teams.

27%
of organizations

Stage 2: Topical Listening

Connected listening strategy includes surveys about targeted topics and goals. Analysis is focused on each individually and the results are shared with most leaders, whose actions are sporadic.

28%
of organizations

Stage 3: Strategic Listening

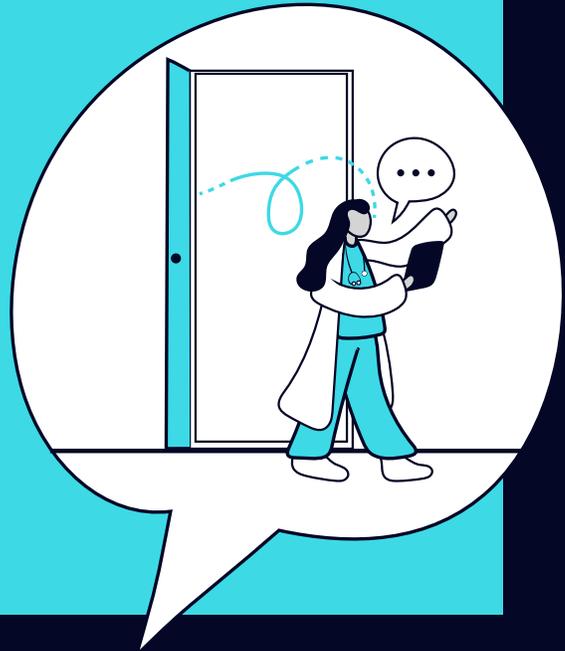
Integrated strategy connected to broader organizational performance goals. Includes more than one listening channel and additional data streams. Action is fast and at multiple levels.

26%
of organizations

Stage 4: Continuous Conversation at Scale

Varied listening channels to match business goals. Real-time listening and feedback provide positive feedback loop. All levels of organization take responsibility for action. Executives are the champions.

A 4-Stage Model for Assessing Employee Listening Maturity



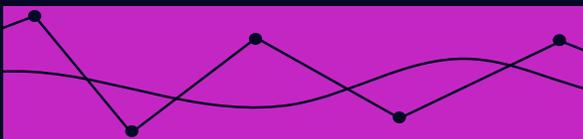
Stage 1: Episodic Listening

Organizations at this stage tend to focus their listening strategy on a single survey event or a few isolated survey events on a tightly-planned schedule. Their listening strategy has been largely consistent since its advent and its successfully accomplishing a few discrete goals. Gathering and acting on employee feedback is centered in the Human Resources department and is seen as a job of the Human Resources function. These organizations act in a top-down manner, with planned, contained distribution of results and actions.



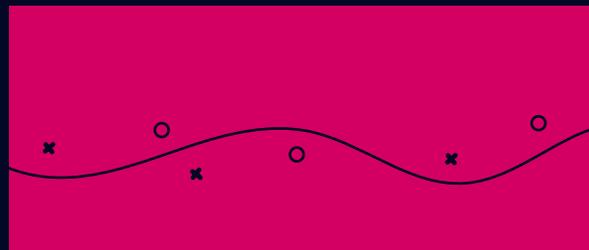
Stage 2: Topical Listening

These organizations have seen the benefit of applying employee feedback to not only large-scale listening events, but also to deep-dive topical events (e.g., Diversity, Equity, Inclusion, and Belonging), or projects geared toward specific goals (e.g., M&A, IPO). These discrete projects are still centered in Human Resources, but often other departments are coming to HR to ask for assistance with their goals. Actions taken in response to employee feedback are still top-down, but reside within the specific department with the research questions. Action is encouraged at lower levels, but there is no clear accountability mechanism, so only some areas choose to participate in targeted action planning and results are sporadic. Executive communication will reference listening results, especially when they reinforce decisions leadership has made.



Stage 3: Strategic Listening

Organizations at Stage 3 are very clear about how their listening strategy relates to other strategies for their business. They are often piloting newer listening channels. Less importance is placed on a single, large-scale survey; instead, more importance is placed on gauging success of the continuous listening that is happening around the organization at the moments that matter for employees: hiring, on-boarding, exit, promotion, etc. These strategies rely heavily on technology for speed and scale. Actions are both top-down and bottom-up and tracked for success. Executives do not make major decisions without understanding the impact on people's perceptions.





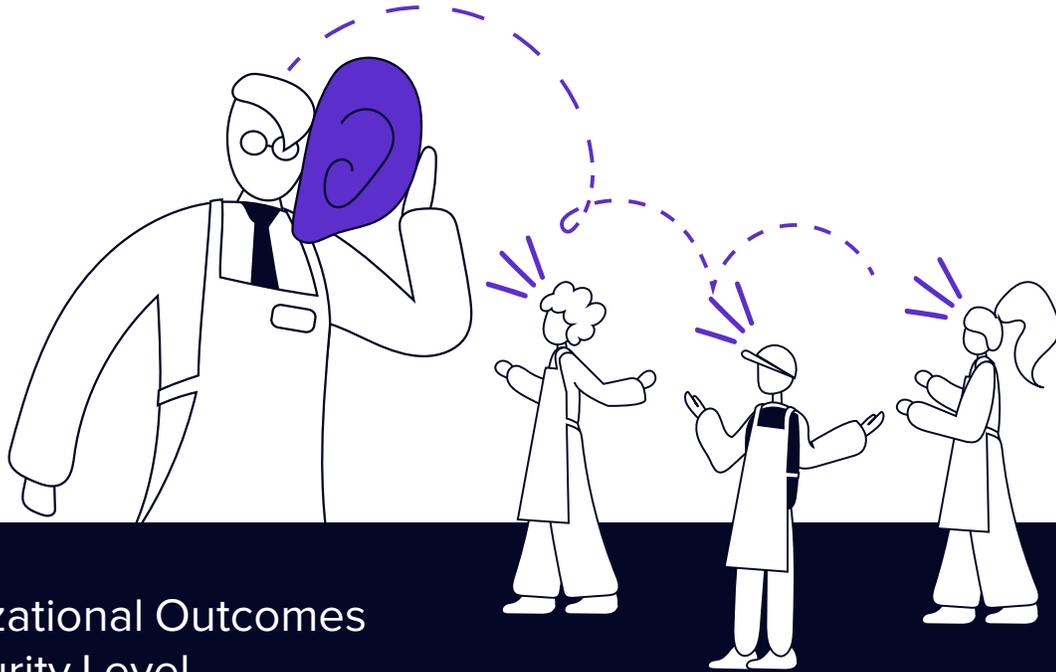
Stage 4: Continuous Conversation at Scale

The most mature organizations have moved beyond a single, annual survey of the entire organization. While this measure is still a foundational tenet of listening programs for the breadth of data collection, it is no longer considered the primary place to gather the necessary depth of employee feedback. In addition to frequent, flexible surveying on moments that matter, they employ multiple channels, like calendar analysis, email sentiment, and/or crowdsourcing. As a listening strategy expands to include more channels, the large-scale census survey's importance becomes just one piece of a larger picture of employee perceptions, rather than the single source

Executives are no longer just listening, acting, and providing comments, they are truly having a conversation with the organization through an iterative, positive feedback loop.

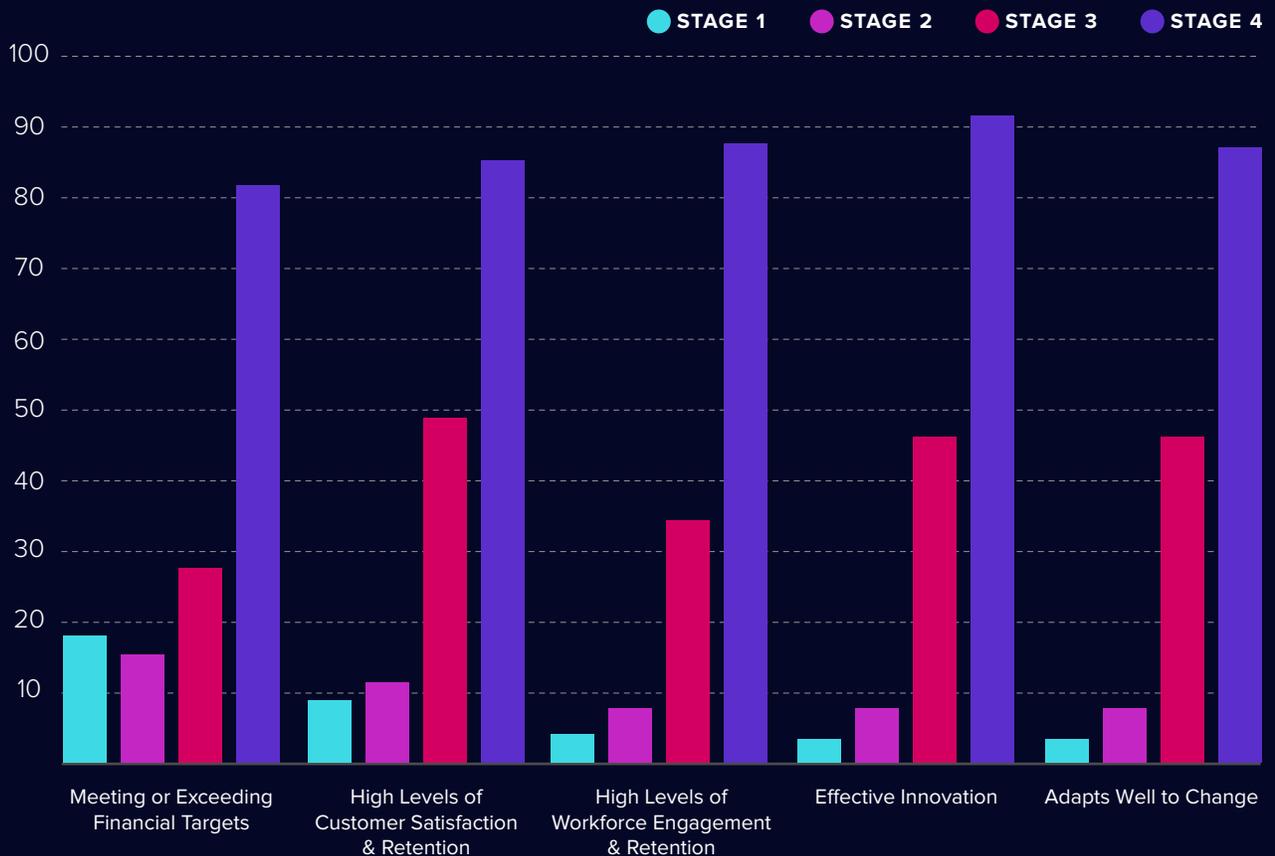
of truth. Organizations in this stage have integrated technology systems to enable seamless analysis and complex problem-solving. They are not only reacting to employee feedback, but using what they have learned to predict the outcomes of future business decisions. Executives are no longer just listening, acting, and providing comments, they are truly having a conversation with the organization through an iterative, positive feedback loop. Everyone in these organizations is expected to contribute to the conversation and everyone's feedback is valuable, regardless of position.





Organizational Outcomes by Maturity Level

Organizations whose listening programs are more mature—those who listen frequently, connect their listening programs to their overall business strategy, support the program outside of the HR department, and most importantly, act with purpose on the results—also experience the greatest success in other important organizational outcomes.



The four stages of maturity can be found across industry and organizational size; however, patterns can be seen in both areas. Mid-sized organizations (1,000-5,000 employees) tend to have a more mature listening strategy, with 64% of them situated at the most mature stages. More than half of organizations with more than 5,000 employees are still in the early stages of their listening maturity (see Figure 3). This is unsurprising, given the lower levels of agility and greater complexity of reaching employees broadly as workforce size increases. What it does illustrate is the need for reliable technology to enable them to interact with all employees quickly, efficiently, and integrate that information with other technologies that are used to manage performance, people metrics, and financial success. The maturity of major industries highlights a similar need for technology to support

a fully-mature listening strategy (see Figure 4). Industries that rely heavily on technology for daily tasks, such as Information Technology, Financial Services, and Professional Services are less likely to represent episodic listening than are industries with employees who are spread out and working in deskless environments where technology is a smaller part of their roles. Organizations with a high percentage of deskless workers and their external listening partners would do well to continue to make listening quick and easy to access from phones or tablets and ensure there is time for employees to make themselves heard regularly. This is especially concerning in the Retail and Healthcare industries, which have been disproportionately affected by the COVID-19 pandemic and The Great Resignation.

Figure 3 : Listening Maturity Varies by Organization Size

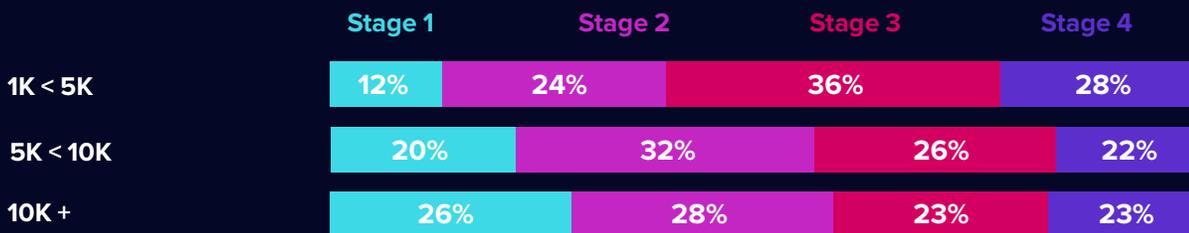
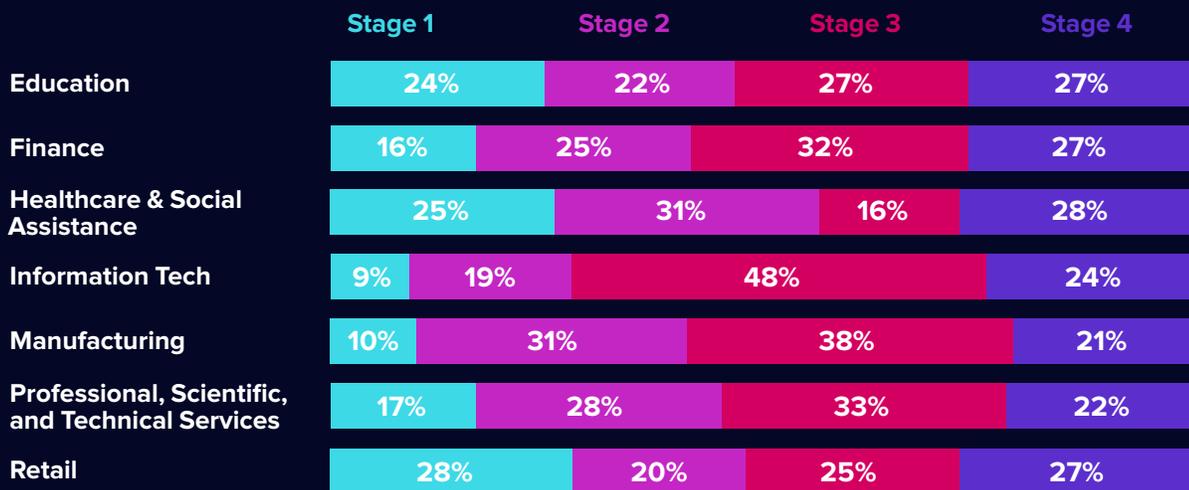


Figure 4 : Listening Maturity Varies by Industry



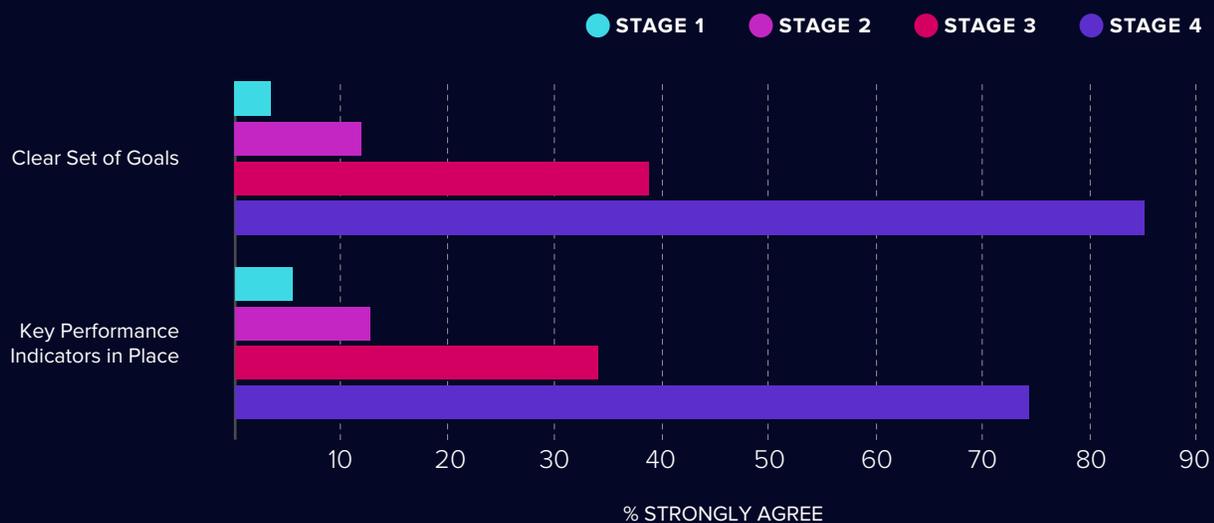
The strategy for more mature organizations must look very different from the strategy for the least mature organizations, as do the types of goals being reached by each. Only about a third of Stage 1 organizations believe their listening program is successful in reaching their pre-defined measures of success compared with more than 95% of both Stage 3 and Stage 4 organizations. This is likely as much a function of goal alignment or goal clarity as it is of actual program success.

In fact, goal clarity itself is one of the differences between each of the maturity stages, with Stage 4 organizations being 20x more likely to have a clear set of outcomes they hope to achieve and 12x more likely to have some key performance indicators in place to measure that success (see Figure 5).

The most important thing for organizations to remember, regardless of the maturity of their listening strategy today, is that there is a clear match between their specific goals and the program they implement.

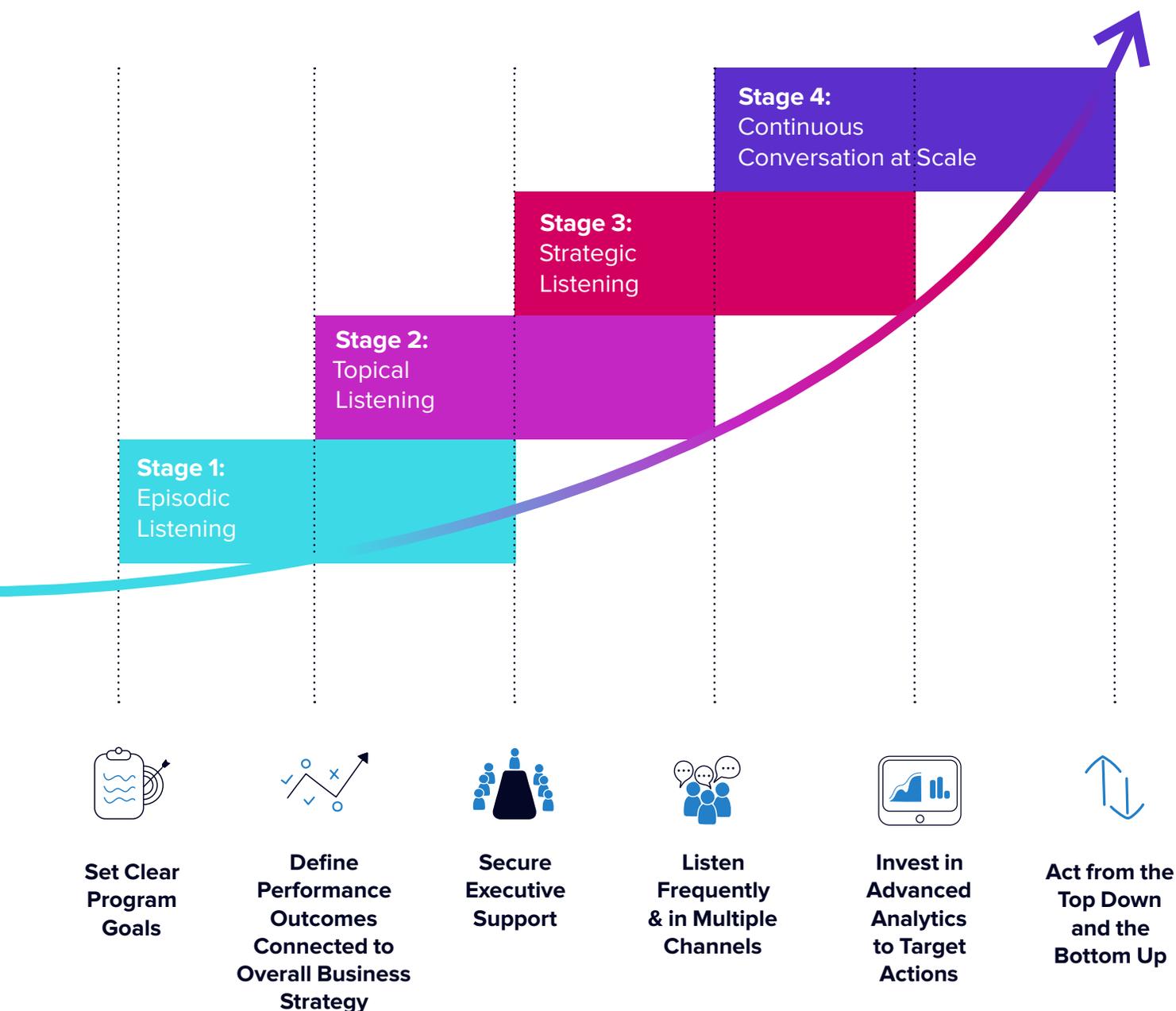


Figure 5: Measuring Success by Maturity Level



Moving Up the Maturity Curve

Organizations that are most effective in their listening programs—regardless of their current stage of maturity—begin by identifying where they are today. Determining the level of success on each step, and demonstrating organizational proficiency before moving on is essential.



Mature organizations have executive support for their initiatives. It starts with a Chief Human Resources Officer who continually invests in listening to people. Fewer than 1 in 3 Stage 1 organizations agree that they have a CHRO who invests in listening, while more than 3 in 4 Stage 4 organizations strongly agree with the same. That said, regardless of maturity stage, lack of additional executive support, especially outside of HR, is cited as a top barrier to the success of their listening programs and is something to work through at every level. Integral to garnering that support outside of the HR function is a connection to performance outcomes owned by executives outside of human resources, such as customer engagement and financial performance. In the early stages, the performance metrics used to measure success are housed in human resources, such as attrition and performance reviews.

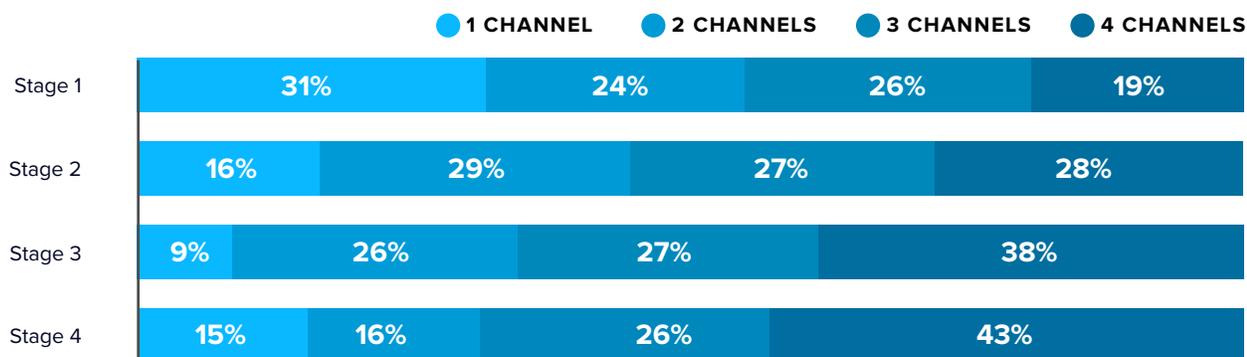
More mature organizations are better equipped to listen in a variety of ways, with Stage 4 organizations more than twice as likely to be leveraging all the listening channels studied, as compared to their Stage 1 counterparts (see Figure 6). Once an organization’s goals are clear and measurable, it becomes time to invest resources—either internally or externally—to expand listening.

One commonality in the most mature strategies is the capability of the internal or external technology partner to use advanced analytics to provide insights to the overall business. This includes executives, people leaders, and front-line employees. More than 50% of Stage 1 organizations do not yet use their people listening results to set strategy and are not yet confident in the skills of their human resources business partners to discuss and disseminate insights. By contrast, 75% of the most mature organizations strongly indicate that they use people data to inform company strategy and share insights across the organization.

TOP 5 BARRIERS TO LISTENING SUCCESS

- 33%** Executive Support
- 33%** Follow-up Action
- 30%** Budget
- 24%** Program Design
- 21%** Manager Talent/Skills

Figure 6: Number of Channels by Maturity Level



% UTILIZING DIFFERENT LISTENING CHANNELS BY MATURITY STAGE

The single biggest barrier to success among the least mature organizations is implementing [appropriate follow-up actions as a result of the listening](#). It also continues to be a concern for the most mature organizations. This is not surprising, as making change is hard and the more actions a team takes, the more they want to take in the future.

However, mature organizations do some important things to enable the right actions from both the top-down and bottom-up: 3 in 5 of the most mature organizations say they rarely make key decisions without first having employee input. Low maturity organizations are not ensuring that their managers

Organizations that regularly listen and act on employee feedback are 3X as likely to meet or exceed their financial targets as those that don't. They are also 10X as likely to achieve high levels of customer satisfaction and retention.

act on employee input. While 71% of Stage 4 organizations require people leaders to create plans of action for their team based on feedback, more than a third of Stage 1 organizations do not even provide managers with the results for their team. Executives in the least mature stage are not relying on employee input for their key business decisions, with half disagreeing that people data is important in decision making.



How Carhartt Crafted an Associate Experience & Culture Built to Last

“Previously we were chasing an engagement score. We realized that was not a sustainable approach. We needed to go deeper.”

Scott Hicks, Senior Organizational Specialist for Carhartt

Carhartt initiated its survey program in 2016 with the goal of learning about its associates' perceptions of the brand, the company, and its leaders. Following early results indicating gaps in engagement as well as leadership effectiveness, the retail and apparel leader turned to Perceptyx in 2019 to launch a more comprehensive listening strategy that would span the full employee journey.

Recognizing that leadership is a key driver of the employee experience, Carhartt wanted to use its first survey, planned for June 2020, to reinforce specific behaviors contained within its “Ways of the Carhartt Leader” competency model. By improving survey access for associates in all environments - both stores and production facilities—despite inevitable pandemic delays the participation rate for the survey was 84%, the highest rate the company has experienced.

Because the company was able to segment the data by key demographic criteria, the survey also helped to validate the unique experiences and perceptions of employees across the organization, and design more specific, inclusive follow-up actions as a result. Carhartt created unique survey dashboards and shared department-specific results that made it both easy and meaningful for leaders to see and act on their team's responses.

According to Hicks, Carhartt associates are now connecting the surveys with the improvements the company is promoting, helping to drive engagement up 25 points since the initial survey in 2016, with results from the October 2020 survey reaching its highest level yet: 93%. But improvements weren't just limited to the employee experience. Carhartt also experienced record sales in 2020, despite the pandemic.

True to its goal of capturing feedback across the employee journey, Carhartt introduced a new onboarding survey in 2021, the first in what will be a series of lifecycle surveys. The long-term plan is to link data from all lifecycle surveys to census and other survey data, to enable cross-survey analysis and predictive analytics.

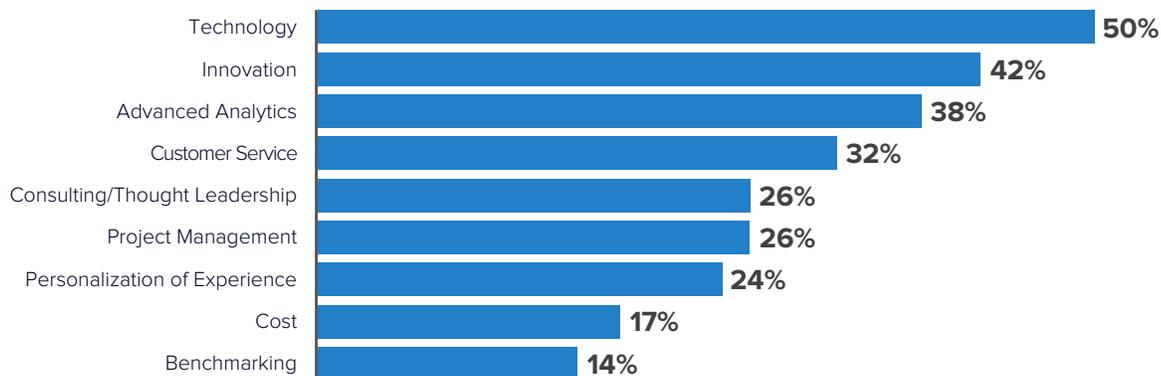
Partnership as a Path Forward

Considering a technology and thought leadership partner is often a more effective strategy, especially as organization size and complexity increase.

Fortunately, there is a next step forward for every organization to mature its listening strategy. Unfortunately, our Human Resources departments are stretched very thin. The lack of resources, including limited knowledge, missing skills, and full workloads of our human resources business partners are holding us back. For most organizations, bringing more talent in-house can be cost-prohibitive and difficult to find. Considering a technological and thought leadership partner is often a more effective strategy, especially as organization size and complexity increase. The top three things organizations are looking for in an external listening partner, regardless of their size,

are technology (50%), innovation (42%), and advanced analytics (38%) (see Figure 7). These needs from a partner outweighed things like cost or benchmarking capabilities. Organizations seem to be acknowledging that these are the capabilities their internal teams lack and are much more willing to outsource this expertise. The more advanced an organization is in its strategy, the more strategic value they place on technology (57% for Stage 4 vs. 39% for Stage 1) as that technology is essential to the integration and continuous nature of the conversation for those most mature.

Figure 7: Top Considerations for a Selecting a Listening Provider





Next Steps: Aligning Your Listening Goals and Strategy

The listening landscape continues to evolve—particularly as technology prods us forward to be faster, more efficient, and more complete in our conversations with employees. Human Resources professionals are becoming increasingly dependent on data for their decision-making and are ready to move into a deeper and more integrated relationship with the other areas of business strategy. Employees are also expressing their desire to offer feedback and suggestions for change within organizations. With a worker shortage and a great reshuffling of talent, employee listening is more critical than at any other time in our recent memories for organizations to continue to operate their businesses.

Organizations that want to be successful in reaching their business goals must continue to evolve their listening strategy to match these goals, and the right technology is critical to that evolution. Nearly all organizations are listening to their employees, some are listening frequently and in a variety of ways, fewer are responding to feedback effectively, and

even fewer still have executives who support these efforts with their own words and actions. Expanding the listening both qualitatively and quantitatively, and simultaneously overcoming these barriers is no small task, but the outcomes will continue to match the effort organizations are willing to exert—and the differences are striking.

Organizations must re-examine their listening strategies and take that first step forward. Is it time to invest in additional technologies or to take a risk to ask and act on something that may be viewed as controversial or uncomfortable? Is it time to honestly evaluate whether you are doing a great deal of listening and very little action in response? Or is it time to sit with the executive team and make the case for why their support and involvement in the communication and strategy is critical? Wherever your organization's listening program sits on the maturity curve, the next step is the most important one and the time to take it is now.



About Perceptyx

Since its founding in 2003, Perceptyx has been redefining the employee insights industry, delivering enterprise-level employee listening and people analytics to more than 600 customers, including one-third of the Fortune 100. With an unrivaled technology platform and a tailor-made, flexible approach, the Perceptyx platform makes it easy for managers, HR executives and business leaders to discover insights deep within large and complex organizations, driving meaningful action to improve business outcomes. Driven by a deep intellectual curiosity and a culture of innovation, Perceptyx is challenging the status quo — to help people and organizations “see the way forward.”

**For more info, or to speak with
a member of our team, visit
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