When corporate America takes a hit, businesses in every industry feel the pressure. With the public’s magnifying glass ever trained on the business community as a result of layoffs and corporate misconduct, how well are organizations demonstrating their commitment and credibility to their employees? The Society for Human Resource Management (SHRM) and the Council of Public Relations Firms jointly conducted a survey in August 2002 to answer this question. SHRM surveyed its membership (HR professionals), while the Council of Public Relations Firms hired RoperASW to survey employees throughout the U.S. in its weekly OmniTel survey.

The following report analyzes the results of the Corporate Credibility and Employee Communications Survey. A link to the survey was e-mailed to 4,000 randomly selected SHRM members. Of those e-mails, 3,323 were successfully delivered, and 671 HR professionals responded to the survey, yielding a response rate of 20%. HR professionals were given five days to respond to the survey online.

Similar questions were included in OmniTel, a weekly national telephone omnibus service of RoperASW. Using random digit dialing, RoperASW successfully contacted 1,013 individuals nationally. Of these individuals, 609 were employed and answered the questions.

This report compares the response of HR professionals and employees in an effort to understand the similarities and differences between how these two groups perceive employee communications and organizational reputation.

About the Author

Jessica Collison is the Survey Program Manager for the Society for Human Resource Management. Her responsibilities include designing, conducting and analyzing surveys on HR-related topics.

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The SHRM Survey Program and the Council of Public Relations Firms developed the survey instruments, with guidance from an internal committee of SHRM staff. For comparison purposes, both employees and HR professionals received similar questions in the surveys.

The HR professional sample was randomly selected from SHRM’s membership database, which includes approximately 170,000 members. Each member of the 4,000-person sample was sent an e-mail invitation containing a link that directed the participant to the on-line survey. The survey was fielded for a period of five days, and an invitation and an e-mail reminder were sent to the sample members in an effort to increase response rates.

The employee portion of the survey was based on a random digit dialing (RDD) probability sample of all telephone households in the continental United States. The RDD sampling system is computer based and provides an equal probability of selection for each and every telephone household. Thus, the employee sample represents telephone households with both listed and unlisted phones in their proper proportions. All sample numbers selected by this procedure are subject to an initial phone call and at least four follow-up attempts to complete an interview. All completed interviews are weighted to ensure accurate and reliable representation of the total population, 18 years and older. A custom designed computer program that automatically develops a weighting factor for each respondent weights the raw data. This procedure employs five variables: age, sex, education, race and geographic region. Each interview is assigned a single weight derived from the relationship between the actual proportion of the population with its specific combination of age, sex, education, race and geographic characteristics and the proportion in the sample that week.
Companies making headlines for financial wrongdoings could cast a long and lingering shadow of doubt on corporate America’s respect for their employees. At a time when public distrust of big business is at an all time high, organizations should strive to appreciate and place a high value on their employees. Many are relying on employee communication to influence internal perceptions of organizational reputation and credibility. By doing so they hope to increase employee morale, productivity, performance and retention. Is it working? Human resource professionals and employees around the U.S. believe it is.
Survey Results

Communication

Question one asked respondents, “When communicating with its employees do you think your company is always, usually, rarely or never open and honest?” Chart 1 depicts how open and honest employees and HR professionals believe their organizations to be. The majority of HR professionals and employees (95% and 82%, respectively) indicated that their organizations are always or usually open and honest. Twenty-nine percent of HR professionals and 35% of employees stated that their organizations are always open and honest, while 66% of HR professionals and 47% of employees stated their organizations are usually open and honest. Overall, it appears that HR professionals tend to have a slightly more positive attitude about their organizations’ communications. Given that almost all communication efforts targeted at employees are usually coordinated through HR, the overwhelming positive response from HR professionals about organizational and employee communications is not surprising. As for employees, it is encouraging that a majority of them share the same perception.

Company Appreciation of Employees

The second question asked about how well companies are showing appreciation for their employees. About two-thirds of HR professionals and employees indicated their organizations are good about showing appreciation for their employees. Nineteen percent of HR professionals and 30% of employees stated their companies are very good about showing appreciation for employees, while 44% of HR professionals and 29% of employees stated their organizations are good. These data are interesting in that on balance they show HR and employees both consider appreciation to be shown at good or very good levels. The breakdown; however, shows...
that employees are more likely to perceive their company as very good, while HR professionals perceive it as only good. One explanation may be that HR is in a position to recommend a wide range of possibilities for a company, but must select appreciation mechanisms and activities that meet their company’s policies and budget. Thus, they perceive these efforts as only good, but realize that given more resources they could perform much better. The fact that employees appear to be satisfied with organizational efforts in this area indicates that communication programs associated with showing appreciation are working. These data are depicted in Chart 2.

Strengthening Organizational Credibility Among Employees

With the recent media coverage about corporate misconduct in America, the question about how organizations can strengthen credibility among their employees has become increasingly more relevant. Respondents were asked to choose which communication methods organizations should use to strengthen their credibility among employees in the face of corporate financial scandals. The choices included:

- Having frequent question and answer meetings to keep employees informed and involved;
- Encouraging employee involvement in decision-making;
- Increasing two-way communication between management and employees;
- Sharing both good news and bad news as promptly and as fully as possible; and
- Conducting regular surveys to identify and deal with employee concerns.

Chart 3 depicts respondents’ views. For both HR professionals and employees, sharing both good news and bad news as promptly and as fully as possible emerged as the top choice (75% and 84%, respectively). Both groups of respondents also agreed that increasing two-way communication between management and employees (70% of HR professionals and 78% of employees) was the second best method to strengthen organizational credibility among employees. When comparing HR professionals’ and employee responses, employees appear to more strongly believe that each method of communication could help strengthen credibility among employees. Although this difference is noteworthy, it may result from the fact that different survey methodologies were used when surveying both
Respondents were asked if they believed there was a link between a company’s reputation and employee job performance. Almost all respondents (98% of HR professionals and 91% of employees) indicated that they agree there is a link. Sixty-two percent of HR professionals and 54% of employees strongly agreed there is a link between company reputation and employee job performance, while 36% of HR professionals and 37% of employees indicated they agree somewhat. Clearly, these results indicate that both HR professionals and employees believe that company reputation is a key ingredient in motivating job performance. These data are depicted in Chart 4.

**Employee Worries**

The last question of the survey asked HR professionals, “Considering the impact that corporate scandals, layoffs, the battered stock market, the weak economy, and terrorism have had on the workplace, which one of the following do you believe employees at your organization are most worried about?

- Losing their jobs
- Losing their employee benefits, such as health care insurance
- Losing their employee retirement savings
- Physical security at work
- Your company going out of business
- Your company relocating
- Nothing
- Other”

Employees were asked the same question, but they were asked to respond to their own personal worries, rather than what they thought others were concerned about. Chart 5 depicts these data.

Both respondent groups indicated similar first and second choices: fear of losing their jobs (49% of HR professionals and 19% of employees) and fear of losing their employee retirement savings (16% of HR professionals and 12% of employees). The difference in perspectives of both groups in terms of job security is interesting. Only 19% of employees indicated that they are worried about losing their job, yet almost half of the HR professionals indicated this as their employees’ top concern. It is difficult to know if this difference is due in part to HR professionals misinterpreting employees’ interactions with them, or, if HR professionals are simply applying a wider knowledge of the realities of the current job market to their interpretation of how employees are feeling.

Respondents were also given the opportunity to write in other issues that stood out as the most worrisome to employees. The two themes that the HR
professionals’ responses focused on were the increasing cost of health insurance and salaries. Employees did not put forth any other issues beyond those that were included in the survey.
HR professionals are typically the primary line of communication between top management and employees. Often, organizational communication is voiced through HR. At a time when organizational ethics are questioned daily, HR professionals need to be aware of how employees perceive an organization’s credibility and reputation and take proactive steps to maintain their organizations’ ethical and professional credibility through open, honest communication. This is especially apparent when most HR professionals and employees have indicated that there is a link between corporate reputation and employee job performance.

This survey also indicates that companies should continue to demonstrate their commitment to and appreciation for their employees.