

One Year of Polls

Looking beneath the surface
of UK SMEs



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“Hey, how are you?”

How many times do you think that question gets asked,
Monday through to Friday, in offices up and down the UK?

Now – how many times do you think that question **gets an honest answer?**
A real, genuine and considered response?

I’m willing to bet it’s not many.

The reality is that **people aren’t great at talking about what’s bothering them** – and when they’re talking about work, **they’re even worse**. Those conversations are difficult and not just because it’s awkward, but because the information you get is vague and often running on emotion rather than precision.

The reality is that many, many companies struggle with getting honest feedback from their team members about what is going on in their organisation. For anyone running a small business, this is a real problem.

If you don’t understand your team, then you can’t make good People decisions.
You’re flying blind.

Just over a year ago, we built our own solution:

[Charlie’s Polls feature](#).

By using Polls, small business leaders can build a detailed, accurate and insightful picture of **exactly what is going on in their company** – how their team is feeling, what they’re worried about and what is causing them angst.

14 months later and our Polls feature has been used by
over 250 small businesses, helping them to make work better
for 7,000 team members.

Over that time, **we’ve recorded over 37,000 individual responses**.

By analysing that data, we’ve learned a huge amount about how small businesses work – and how their employees are really feeling.

Armed with that information, I know the lay of the land.
I have a sense of how Charlie measures up to businesses like ours and – crucially
– I can see **the stumbling blocks waiting for us further down the road**.

Now – you can see them too.



Ben Branson-Gateley,
CEO of CharlieHR

An Introduction to Polls

What is it, and how does it work?

Charlie's Polls feature is designed to help anyone running a small business or startup **to better understand how their team are feeling**.

Using Polls, company leaders can run a research-backed micro-poll* of their team on a range of different topics. It could be on their own personal

wellbeing, their engagement with their work, the effectiveness of their team and everything in between.

The goal is to gain a **much clearer understanding** of how your company is doing – where it excels, where it struggles and **where you should focus your efforts next**.

Here's how Polls works

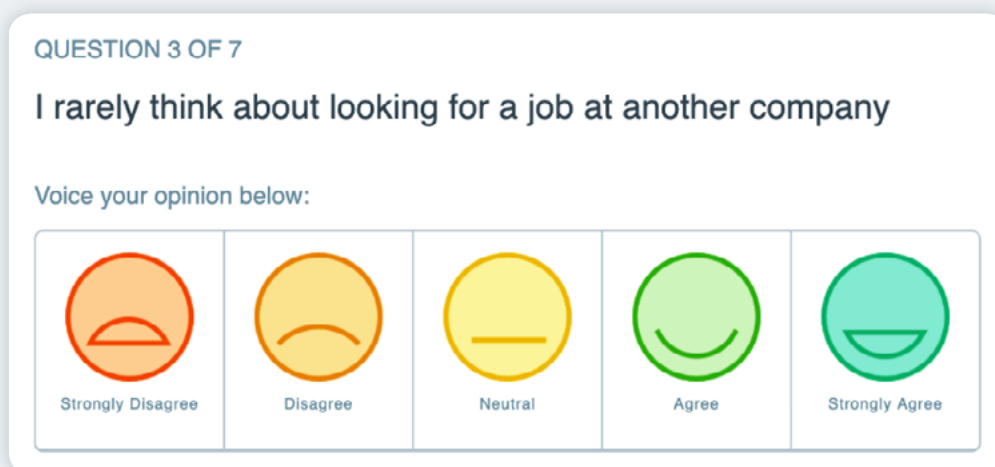
1. When a company leader wants to run a new poll within Charlie, they're asked to choose between six distinct Poll 'themes'. The theme they choose will dictate the topics that the poll will dig into – and therefore what the Company Leader will learn about their team.

Those six poll themes are:



2. On the assigned date, team members will be sent their first Polls question via email. That email will contain a statement and team members will be asked to select their response to that statement. The available responses range from 'Strongly Disagree' at one end to 'Strongly Agree' at the other.

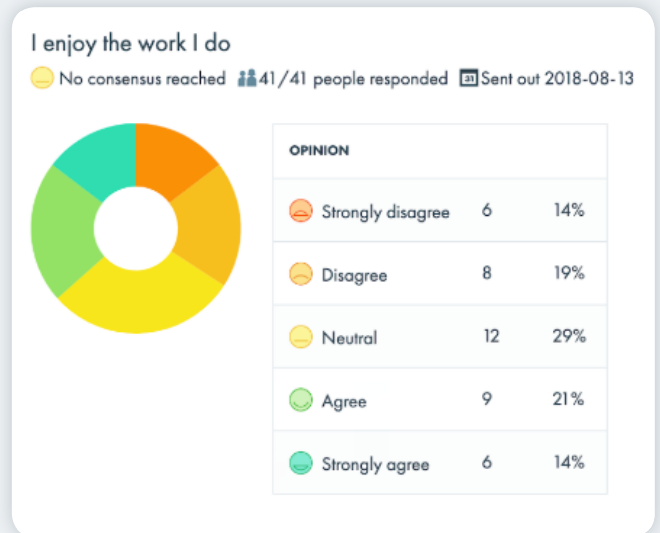
Here's an example of what that email looks like:



Team members will receive one statement per week until the end of the poll and their responses will be processed anonymously (to keep their answers as honest as possible).

3. Company leaders can view the (still anonymous) Poll responses in Charlie as they come in. Once the poll is complete, they can view an overview of the Poll and see how each statement was responded to by their team.

* You can read more about why we chose a micro-poll format [here](#)



4. Once your team has completed the Poll, you'll have a **clear overview of exactly how your team is feeling** and where you need to focus your next efforts.

A note on our Polls data

This report is built on the fully-anonymised dataset comprised of 37,601 individual responses made between the 9th of July, 2018 and the 25th of July, 2019.

Those responses came from ~7,000 team members working at more than 250 SMEs.

99.3% of those companies are registered in the UK.

The median company size is 27 team members.

PART ONE

Employees in small businesses

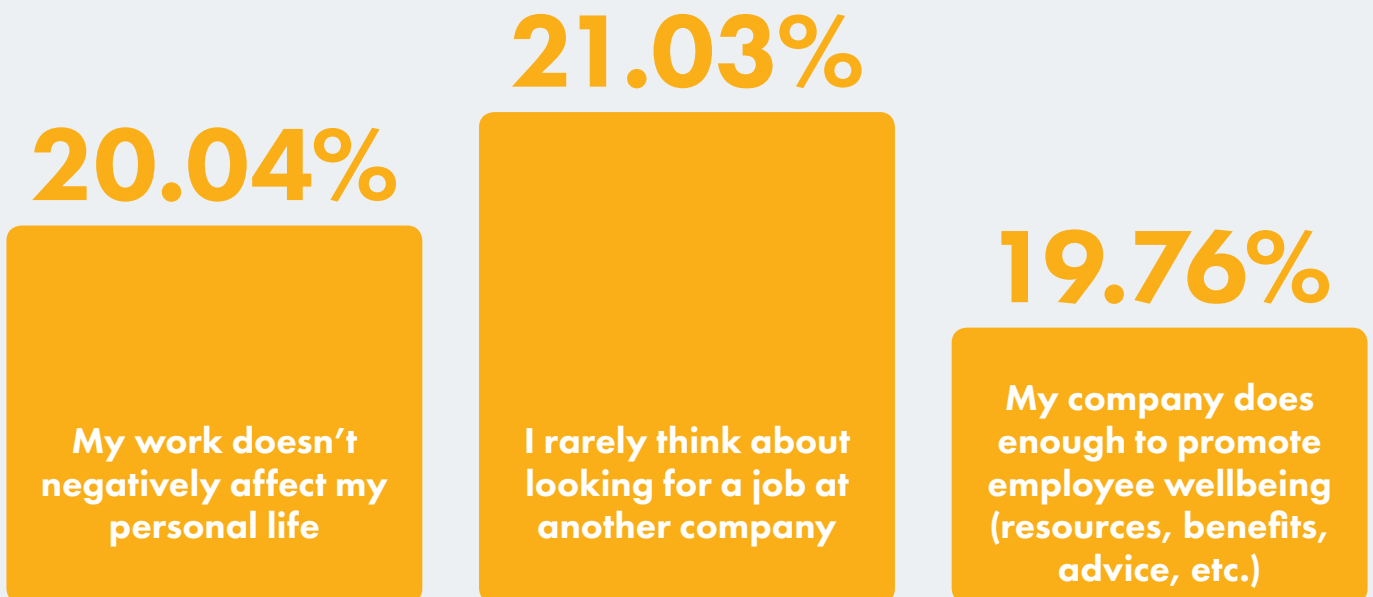
What are they really thinking?

When a company decides to run a Poll through Charlie, their employees are emailed one statement each week and asked to give a response ranging from Strongly Disagree to Strongly Agree.

By analysing the statements that received the highest proportion of positive or negative responses, we get a comprehensive snapshot of **how employees in UK small businesses feel about different issues.**

What are your team worried about?

The three statements that received the highest proportion of 'disagree' or 'strongly disagree' responses should give us a really good indication of **the most pressing worries or concerns for teams at SMEs.**



Now, there are already some really striking takeaways here.

Take that top result to begin with: over 21% of employees said they were thinking about jobs at other companies. If you're running a small business employing 25 or so employees, our data indicates that **at least 5 of them are thinking about jobs elsewhere.**

The second and third-placed results are perhaps even more startling.

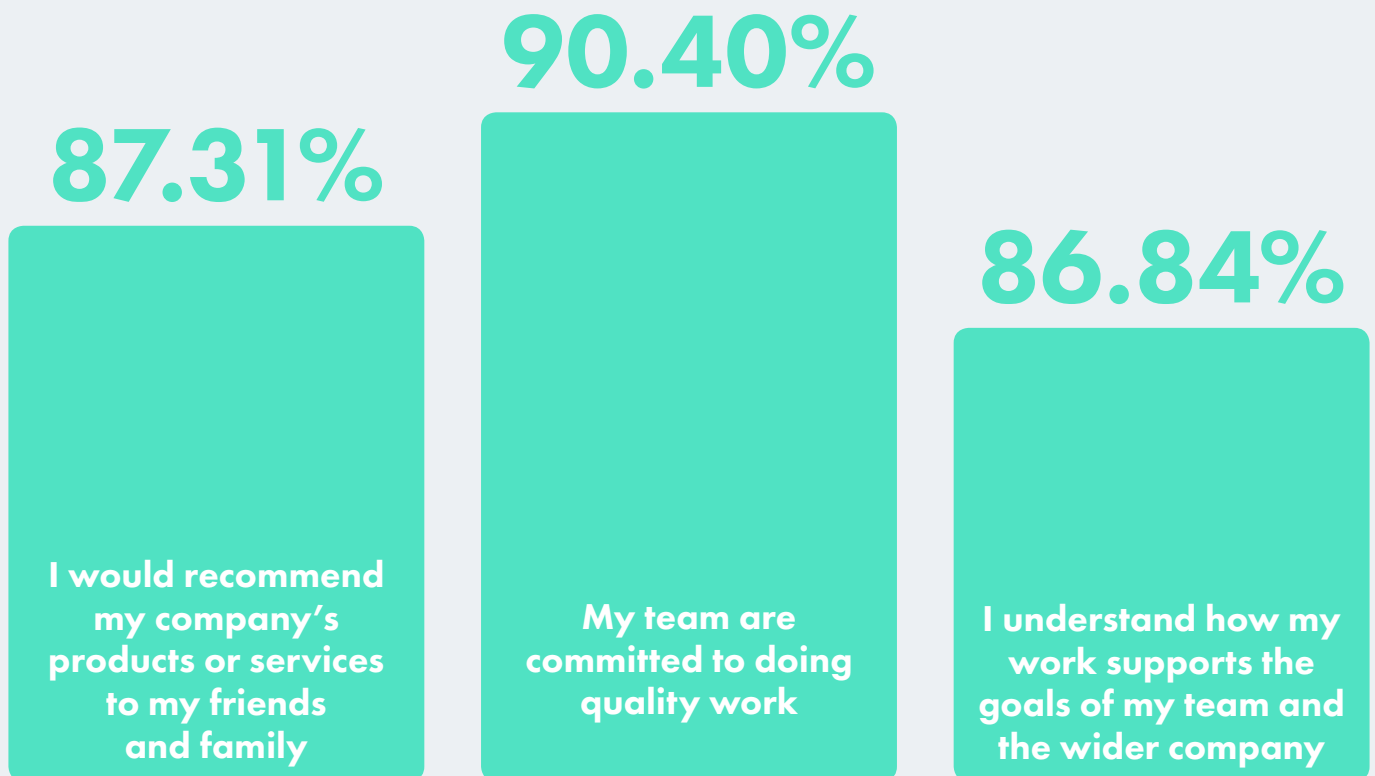
According to this data, over 20% of employees in small businesses think that their work has a negative effect on their personal life. **That's more than one in five.**

What's more, nearly just as many employees indicated they **didn't think their employers provided the help required to support their wellbeing.**

...and the areas you probably don't need to worry about.

As a point of contrast, here are the statements that received **the highest proportion of positive responses** (remember, that's both 'Strongly Agree' or 'Agree').

If the three statements above showed us what employees are most worried about, these three show us what they are most happy with.



Broadly speaking, there's good news here for small business leaders.

An overwhelming majority of employees in SMEs agree that their colleagues are committed to doing 'quality work' and also understand how that work contributes to company goals.

What's more, they also seem pretty proud of what they do.

However – looking at these statements on an individual basis is really a very narrow and reductive way of looking at this data. It doesn't tell you much about **how employees in UK small businesses are feeling in broader terms**.

Rather, the most useful and striking insights are revealed when you look **at the trends that link all of these statements together**.

But let's dig deeper – what else is this data telling us?

Take a look at the table below. Here, we've listed out the 18 statements that received the **highest proportion of positive responses** (that's 'Agree' and 'Strongly Agree').

But this time, we've also highlighted each response according to **the wider topic that statement is referring to**.



Now, we can already see some really strong themes emerging here.

Team Effectiveness and Employee Engagement dominate the top of the list, taking up six of the first seven spots. After that, Psychological Security and Employee Engagement both score strongly, and Manager Relationship appears a couple of times as well.

The picture we're getting here is that – in small businesses as a whole – employees generally seem to:

- **Feel engaged with their work**
- **Have a positive relationship with their manager**
- **Feel good about their team's effectiveness**
- **Feel psychologically secure in their working environment**

Now, take a look at the table below.

This time, we've listed out the eighteen Polls statements that received the highest proportion of 'Strongly Disagree' and 'Disagree responses' – that is, **the statements that evoked the most negative reaction from employees in small businesses.**

As you can see, the picture changes drastically.



This time, the list is starkly dominated by three topics:

A. Retention

B. Employee Wellbeing

C. Company Leadership

What does this mean for small business leaders?

A. Retention

Today's employees are always thinking about their next step – but perhaps this isn't cause for alarm.

On the face of it, the largely negative response on the subject of employee retention could be a cause for concern for those of us working in small businesses.

Remember, the statement with the highest proportion of negative responses within the entire Polls feature was one related to retention, with more than 1 in 5 of respondents **admitting that they regularly think about looking for work elsewhere.**

Meanwhile, the statement 'I see myself still working at {company_name} in two years' time' also received a widely negative response, with nearly 16% of respondents disagreeing.

However, negative responses to those statements perhaps **aren't the cause for alarm they first seem.**

Taking a moment to daydream about your next career step or where your career path may take you in the future doesn't necessarily indicate unhappiness in your current role. No matter how content you are right now, it seems understandable to keep one eye on the future.

"Having team members that actively think about their next career step is a good thing for your business – it shows they are engaged with their career development and their work means a lot to them."



Ben Branson-Gateley,
CEO of CharlieHR

Personal growth is a crucial part of employee retention

There is, however, one retention-centred statement here that is worth paying attention to – “I see a path for me to advance my career at {company_name}”.

This one is more important because it is something **that small businesses do have some control over**.

A tangible sense of career progression is a really key part of keeping your team engaged – and it’s also absolutely crucial for keeping your team in the room altogether.

This is a challenge we recently faced ourselves at Charlie.

In the end, the solution that we struck upon was a comprehensive **career progression framework** that showed every member of our team how they could progress and what it would take to achieve it.

If you want to see what that looks like, then take a look at [this blogpost](#) (where you can also download our full framework to use or adapt however you like).

“In my mind, worrying about employee retention is putting the cart before the horse...There are all sorts of reasons why people might look at jobs elsewhere and a lot of them aren’t down to how you run your company. Instead, I try and focus on creating an environment they want to be in and that they can develop in. After that, retention tends to take care of itself.

When it comes to keeping your team together, I’ve always said that it’s a case of ‘grow them or lose them’. Today’s workforce – more so than any other generation – places a huge emphasis on personal and professional development. If you want to keep your best people, then you have to give them space to progress.”



Ben Branson-Gateley,
CEO of CharlieHR

B. Employee Wellbeing

When it comes to the wellbeing of their staff,
small businesses aren't doing enough.

In many ways, the fact that many employees are thinking about their next career step isn't big news – it could well just indicate a generational shift. These days, a job normally isn't 'for life' anymore.

But what is certainly more worrying for anyone running a small business or startup are the negative results we see on employee wellbeing. No matter how you cut the data, in UK small businesses, employee wellbeing is consistently the most negatively-responded to topic. The picture this data paints is very clear – **for many teams in the UK, wellbeing is a very real and urgent concern.**

When it comes to how small businesses can act on this information, the picture becomes a little murkier. Employee wellbeing is an extremely wide-ranging topic and tackling it effectively requires a concerted effort across many different aspects of your company offering.

That includes everything, such as:

- Your approach to [supporting your team's mental health](#)
- Your company's [flexible working arrangements](#)
- The [Perks and Benefits](#) that you offer
- How you [accommodate your team's family and home life](#)
- Your [holiday policy](#)
- The policies you have in place [for when your team needs it most](#)

“There's no one-size-fits-all solution to this question... if there's anyone out there who thinks their company has a problem with employee wellbeing, the best advice I can give is to dig deeper. You need to lean into the issues at your company so you can take the specific action required to have an impact.”



Ben Branson-Gateley,
CEO of CharlieHR

C. Company Leadership

There's more than one type of leadership.

On the face of it, the fact that many employees are less than impressed with their bosses is not particularly surprising. The 'horrible boss' trope exists for a reason – it's easy to feel sour towards people when their decisions affect your day-to-day so dramatically.

But the really interesting point here only reveals itself when we cut into the data a little deeper – particularly, for instance, when we analyse these results in terms of **different kinds of leadership**.

Let's break that down slightly.

Polls statements on the topic of Company Leadership tend to be phrased around one of two things – either, 'my manager' or more general 'company leaders'. By segregating responses down those lines, we get an insight into **how employees view the different types of 'leader' working at their company**.

Polls statements

About managers

My manager gives me useful feedback on how well I am performing

My manager genuinely cares about my wellbeing

My manager is someone I can trust

My manager provides me with the support I need to complete my work

About leaders

The leaders at my company keep people informed about what is happening

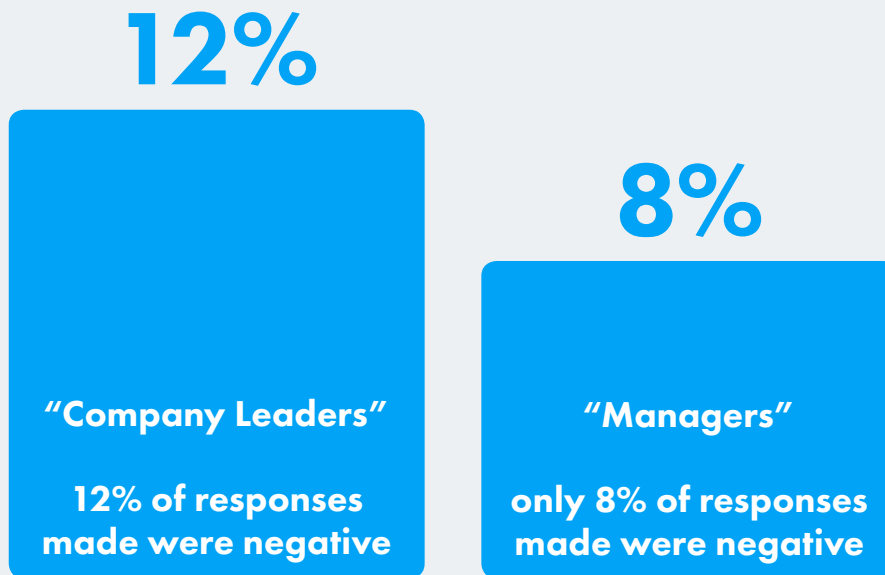
The leaders at my company demonstrate that people are important to the company's success

The leaders at my company have set business goals and strategies which are taking us in the right direction

I have confidence in the leaders at my company

The leaders at my company have communicated a vision that motivates me

In the infographic below, you can see the full aggregate of statements about 'company leaders' received a significantly higher proportion of negative responses than statements about 'my manager'.



Cast your mind back to earlier on in Part 1, and you'll remember that the topic of **Manager Relationships** featured twice in the list of most-positively responded to statements. That's in stark contrast to the **four statements about Company Leaders** that appeared in the reverse line-up.

So why this discrepancy? Why are 'company leaders' viewed more negatively than people's direct managers?

The key to this question could lie in two things:

1. Proximity to each other's work
2. A two-way relationship

Our relationship with our boss isn't always plain sailing – but it certainly become much easier if that relationship is with someone you have a personal connection with and who understands the work that you do.

“My advice to senior leaders is to try and be as transparent as possible about your own work and the decisions you make. No one likes to have their working life affected by decisions they don't understand – so as much as possible, be open about why you do what you do.”



Ben Branson-Gateley,
CEO of CharlieHR

Feedback is a stumbling block

However – **not every statement about managers was received positively.**

Take another look at that table of the most negatively-responded to statements and you'll notice that "my manager gives me useful feedback on how well I am performing" comes in at 10th.

This is an interesting point, particularly when you take into account that what we saw elsewhere in the data – specifically, that a whole 80% of respondents agreed with the statement "my manager is someone I can trust".

So why the discrepancy here? If trust between team members and managers is so widespread, why the breakdown in the feedback process?

"In a nutshell – it's because feedback is really hard to get right. Giving genuinely candid and honest feedback is a notoriously fraught process and many, many companies underappreciate just how difficult it is to make that behaviour stick.

Trust is the foundation of feedback, but it's not enough on its own. To build a true feedback requires buy-in from the entire company from the top down."



Rob O'Donovan,
Chairman of CharlieHR

PART TWO

How do those feelings change as companies grow?

During Part 1, we were looking at the aggregated data of every company using Charlie's Polls feature. While this is a great way of getting a 'wide-lens' overview of the current state-of-play in UK SMEs, **it's also a very static way of reading the data.**

In the next stage of our analysis, we took a look at **how vresponses differ in companies of different sizes.**

This is useful for two reasons:

1. We can give you much more specific information about **how employees are feeling in companies more like your own.**
2. We can help you predict **changes or problems your company might face before they happen.**

A note on method

The analysis for points 1), 2) and 3) has been achieved by aggregating all responses within a certain Poll Theme.

This gave us a larger dataset to work with and allowed us to draw broader conclusions about what was going on within small companies of different sizes.

Here's what we found.

1) Past the 50-person mark, Engagement begins to suffer

In our data, you can see that as companies grow larger, responses to the Engagement theme tends to become more negative. This feels pretty intuitive – but what's interesting **is that drop isn't consistent.**

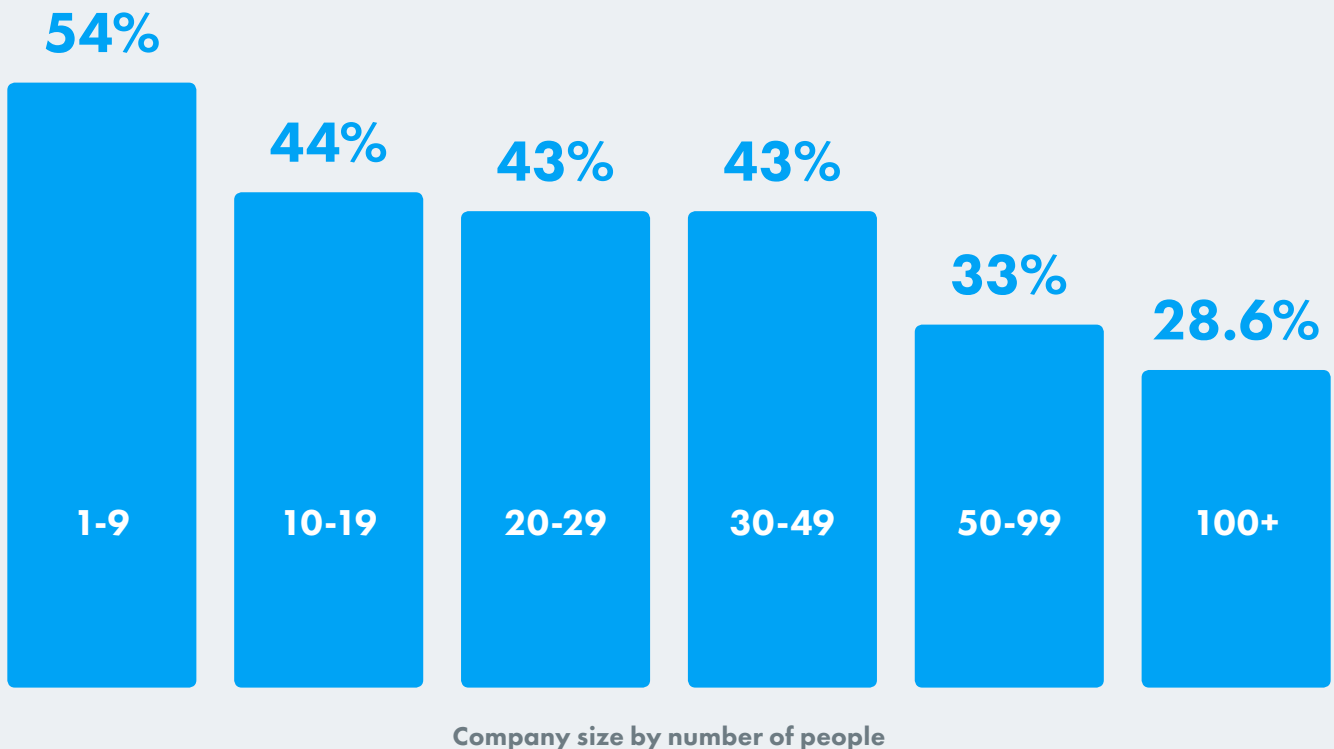
Instead, there is a **severe drop-off** point at the 50-person mark.

As shown in the chart, team engagement scores stay largely steady from companies of 10-19 all the way up to the 30-49 bracket.

It's only after that 50-person mark that team engagement really begins to deteriorate – and this serves as a useful warning sign for anyone running a business.

If your company is approaching the 50-person mark, **then you need to keep an eye on the engagement of your team.**

Proportion of 'Agree' or 'Strongly Agree' responses

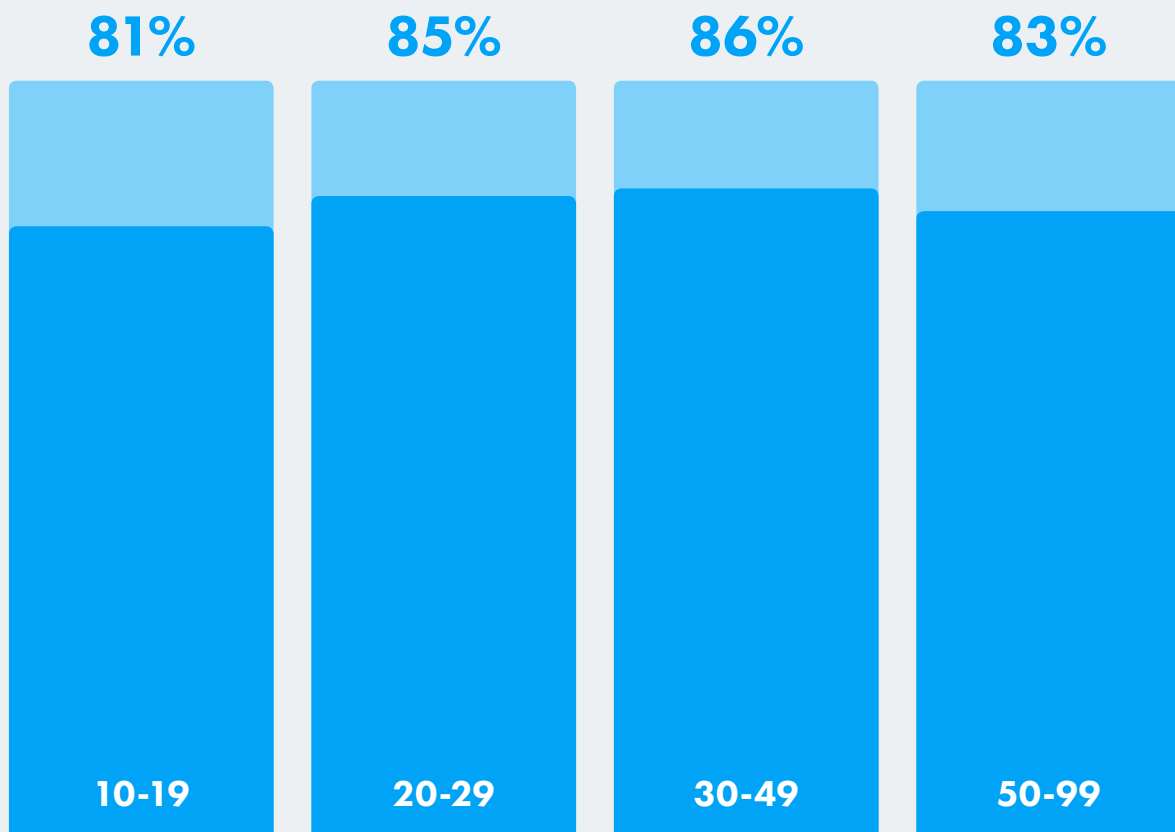


2) Company size doesn't seem to affect Team Effectiveness.

When we began analysing this data, we expected to see Team Effectiveness scores drop as companies grew larger and larger. To us, it seemed to make sense – as companies grow, there are more points of contact, more 'degrees of separation' between decisions and more internal stakeholders to keep onside.

However, that assumption didn't hold true. In fact, **perceived team effectiveness appears to remain level throughout every company size.**

Proportion of 'Agree' or 'Strongly Agree' responses Effective Teams Polls theme



Company size by number of people

3) Bigger company = worse Employee Wellbeing

When it comes to employee wellbeing, the results are much more emphatic. According to our data, as companies grow larger their employees become less and less likely to respond positively to statements about their own wellbeing.

Now, this is an interesting trendline. Intuitively, it would be the smallest companies that would be most highly-pressured environments – there are fewer staff to share the load, more responsibilities on everybody's plates and more riding on everyone's individual performance.

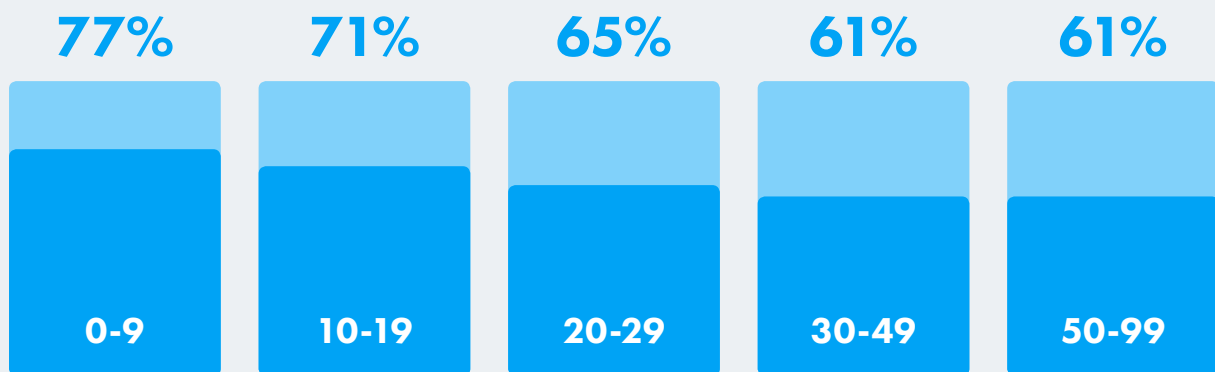
As companies grow larger, **you'd think these pressures would ease** – there's more help to

go round, more 'hands on deck' and you presumably have a little more money available for wellbeing initiatives.

In reality, it seems the opposite is true – **employees at the largest companies return the worst wellbeing results.**

One possible explanation could be **the relative strengths of personal relationships** at very small companies versus much larger businesses. Within small teams, it's a little easier to cultivate a sense that you're 'all in it together', or an 'us against the world' mentality that might lend itself to a more supportive atmosphere.

Proportion of 'Agree' or 'Strongly Agree' Wellbeing Polls theme



Company size by number of people

"In large teams of 50 people or more, I think it's relatively easy for people to get lost. That just doesn't happen in a team of just a dozen people – it's much, much less likely for personal problems to go unnoticed in a team that close."

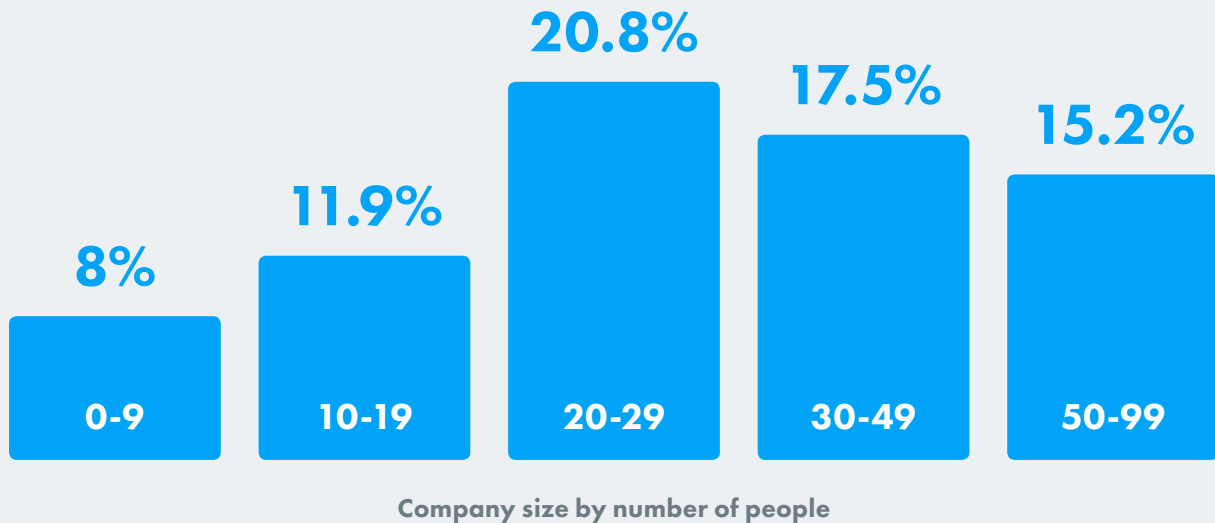


Rob O'Donovan,
Chairman of CharlieHR

4) The curious shape of employee retention

As we saw earlier on in this report, the question of 'where to work next?' is a pressing one for all employees. But according to our data, just how keenly this issue is felt is actually strongly influenced by the exact size of the company.

Below, you can see a breakdown of negative responses made to the Polls statement 'I see myself still working at [company name] in 2 year's time'. Below is a chart containing the proportion of 'disagree' and 'strongly disagree' responses.



The trend line in this graph is interesting. In small, brand new companies there is always huge potential for growth and advancement – so it's no surprise that the smallest companies recorded the best results here.

But, the most negative results actually came from the companies in the middle bracket of 20-29 employees, before beginning to level out again.

The interesting fluctuation here **could be a reflection of the different stages of a company's life cycle**. Perhaps, after that exciting first stage of early growth, the 20-29 person stage is something of a difficult, halfway-house – not as exciting as an early-stage startup, but also lacking the stable, 'job for life' security of a more established company.

"You don't need much process in place to get from 1 employee to 20 employees. But once you get to that point you do need to begin putting in more company processes and there'll inevitably be teething problems. That middle bracket of 20-29 employees is always a difficult transition period."



Ben Branson-Gateley,
CEO of CharlieHR



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