Why valid data is critical to your plan of action

Learn how rigorous and accurate employee survey benchmarks can improve your decision making and action planning process.
THE ROLE AND IMPORTANCE OF BENCHMARK DATA IN EMPLOYEE SURVEYS

Benchmark Norms Provide an Important Context for Comparison

Let’s say you have conducted an employee engagement survey and you are reviewing the findings. You think the findings look reasonable but you can’t help wondering if your organization’s results are typical or vastly different from the results of other similar organizations. How can you tell what your results really mean and, even more importantly, where you should focus your efforts to improve the work environment?

An important goal of analyzing any type of survey data is knowing whether the scores you see are high or low in a meaningful way. Although the scores themselves will show this to a degree, all survey items follow a natural pattern, with some questions generally getting higher scores and others generally getting lower scores. Without this context, how can you decide what action to take? How can you know how well you are performing without a comparison to your peers and competitors?

Benchmark norms are an excellent way to establish a frame of reference for judging the favorability of your employee survey findings.

A Recent Example

One of our 4Cs is Compensation, which is admittedly a sensitive topic in all organizations. Although employees tend to overrate the influence of pay in their day-to-day work experience, it can affect the decisions employees make.

In a recent survey, just 44% of a client’s employees were happy with their pay. Knowing this alone, what action — if any — would you take? On the surface, this means that less than half are satisfied with the pay they get. Does this client need to look into increasing everyone’s pay?

In this case, the comparable industry score on pay is only 36%, which means that our client is a full 8 percentage points above the norm. Knowing clearly makes a difference on how to respond to the results of this question.

At the same time, just 62% of their employees agree that the requirements and responsibilities of their jobs are well defined. This result looks pretty good, doesn’t it? However, the norm on this score in their industry is 71% and we know that the clarity of job definitions is often a direct contributor to job satisfaction. Based on this comparison, this client should look for
ways to increase the understanding of roles and responsibilities of all employees, whether through better job descriptions, improved performance evaluations and stronger emphasis on setting clear expectations.

Based on this simple example, these benchmark comparisons mean that, instead of making changes in compensation, this client should invest resources to improve job definitions. Not only will this approach likely improve overall job satisfaction, it will be a lot cheaper than raising everyone’s pay!

**What Affects the Quality of Benchmark Data?**

The most important question to ask when assessing the quality of benchmark data is: Do the norms provide a true picture of the attitudes and opinions of the employees in your comparison?

And what is the best way to answer this question? By using norms that are based on randomized statistical sampling among the applicable employee population. (An even better approach would be to conduct a census of all employees of interest but, since that is not financially viable, random sampling is best practical solution.)

**Why Should Benchmark Norms be Statistically Valid?**

This answer has to do with basic statistics. The only way to produce an unbiased representation of the attitudes and opinions of a population is to give every member of that population a chance of being selected in the sample. However, if the employee norms you are using are based only on the surveys collected among that vendor’s own clients, it is impossible to meet this most fundamental requirement of accurate norms. Simply by definition, benchmarks generated in this way do not include the attitudes and opinions of employees at organizations that do not conduct
employee surveys. This simple omission could mean that those norms are seriously flawed, which will lead to faulty conclusions and ineffective decision making.

Unlike many other employee survey companies, we maintain the integrity of our benchmark norms by purposely not including any clients’ data in our comparative database. We adhere to stringent research standards and believe strongly that the addition of any self-selected or “convenience” sample negatively skews the results and compromises the validity of the normative data.

Instead, our norms are created via an independent annual survey of randomly selected employees in North America. The sample for this survey is balanced against Bureau of Labor Statistics and Statistics Canada figures on key factors such as company size, industry classification, and geography and employee demographics. The result of this balanced sampling is a rigorously scientific, fully accurate view that provides real benchmarks against which to judge your organization’s scores. This means our 4Cs Employee Normative Database is always current, accurate and relevant.

The bottom line is that you can have full confidence in the validity and value of our normative data for both U.S. and Canadian employees. We take it seriously and you should too.

How do the Survey Questions Affect Benchmark Data?

“Like-to-like” comparisons are crucial to the effective use of benchmark data. Because there are many different ways of asking similar questions about the same topic and because survey responses can be very sensitive to even small changes in question wording, it can be very difficult to make useful comparisons when the questions being compared are not identical.

Insightlink is unique in examining all aspects of the employee experience through the “4Cs” – Commitment, Culture, Communications and Compensation. Our proprietary 4Cs model was developed following a thorough investigation of both scholarly and business-oriented employee survey methodologies.

The 4Cs survey tool has been fully tested using the two main approaches to survey evaluation – (1) Cognitive testing, which validates each topic area and individual question, making sure that all parts of the survey clearly address the underlying concepts that drive employee satisfaction and engagement and (2) Field testing, which uses experience with the survey “in action” both in terms of effective data collection and providing meaningful, actionable results that clients can use to assess their organizations and track their progress.

An Insightlink 4Cs survey helps our clients maximize their human capital investment by providing not only an insightful, strategic analysis but also by highlighting actions to create change and improve employee engagement within their organizations. Specifically, they see where they stand on each of the critical 4Cs of employee engagement and satisfaction: Commitment to assess employee engagement, Culture to gauge morale, camaraderie, leadership and accountability,
Communications to identify roadblocks to effective management and Compensation to measure employee perceptions of pay and benefits.

**What Are the Risks Surrounding Benchmark Data?**

As we mentioned earlier, one of the main risks related to benchmarks is trying to analyze survey data without any comparative norms. Often, this is the case with employee surveys conducted in house using such survey tools as Surveymonkey, Fluidsurvey and Questionpro. Although these tools are technically excellent and may offer an attractive cost benefits, they also come with some important tradeoffs:

1. You need to **design the survey yourself** (perhaps based on a template that you need to customize), which means ensuring that you are using survey questions that are relevant and valid to your organization, and then manage all of the data collection. Many organizations forget to account for the **internal time** required to fulfill these steps, as none of them are particularly easy or fast to achieve.

2. You also have to **analyze the data yourself**, without having the perspective that comes from specializing in analyzing this kind of survey data. Remember that survey analysts are experts at looking for the patterns in data and cutting through to the key themes of the findings. As with many tasks, this can be extremely difficult to do without prior experience.

3. On top of this, you do not get access to all the **values** of benchmarking that we have summarized here. With most DIY survey solutions, you miss getting the necessary context when reviewing your findings.

4. Perhaps most importantly, many employees are nervous about answering surveys administered by their organizations because they feel their answers will not be kept anonymous and that they could **lose their jobs** as a result -- although this may not be true, it is a valid fear that can only be overcome by using a 3rd party to conduct the survey. If they are nervous, you may either get low participation or they may "sugar coat" their answers, which would put the validity of your results into question.
A second risk with benchmarks is drawing conclusions based on inaccurate or out-of-date information. If the benchmarks you're using are based on a vendor's client data, how confident can you be that those results are accurate? Many times, the actual comparisons you receive are done with data sets that are old or irrelevant. Just because a vendor claims to have “millions of responses,” this does not automatically mean that their normative comparisons are valid and meaningful.

The final risk of using benchmarks is that of overusing or relying too heavily on the benchmarks for analysis. It’s important to keep in mind that normative scores represent averages rather than “best practices.” If your scores are generally in line with the benchmarks, they should not be used as a crutch or an excuse for not making any changes.

The goal for your organization should be to exceed the industry norms in areas that are important to both you and your employees.

Find Out More

If you would like to find out more about how we manage and use our benchmark database to your advantage please contact us at the address below:

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