

Employee Survey Benchmarking

Insights and Best Practices

Employee engagement and experience surveys are more prevalent than ever, particularly given continued advancements in technology and the improved ability to “reach” even the most remote front-line employees. The best employee engagement surveys create an opportunity to understand the overall sentiment of a workforce, give employees an opportunity to have their voice heard, and drive positive change. Yet, correct interpretation of survey results is key to ensuring that actions are optimally aligned to what matters most to a particular workforce.



Sheena Lyons, M.S., Executive Consultant, WSA
Randy Sterns, M.B.A., Executive Consultant, WSA
Robert Weldon, Ph.D., Senior Data Scientist, WSA

One of the key components of ensuring correct interpretation of employee surveys is an accurate point of reference to understand organizational strengths and weaknesses. Leaders often look to external benchmarks or “norms” to help put their results into context. Norms help identify what is “normal” or typical for a particular population.

When WSA begins benchmarking discussions with clients, common preconceived notions heard include:

“Our industry is different from others, so we should not compare ourselves to any other industry.”

“We are a small (or large) organization, so we want to compare ourselves with organizations that have a similar number of employees.”

“We have employees in one country that are much less (or more) engaged than the employees we have in other countries. Is the overall global norm accurate for us?”

Benchmarking insights and best practices help organizations best understand what the right external comparison is for them. Whether utilizing benchmarks to understand individual item scores, set goals, or compare the organization to the competition, it is critical that assumptions are not made in the interpretation of results. Moreover, it is critical that the right reference point is utilized so that actions are aligned to realistic targets and outcomes to drive workforce performance.

Data source: The data source for the analysis in this paper is *WSAdata* – Workforce Science Associate’s comprehensive benchmarking database. *WSAdata* reflects the employee sentiment from over 153 Million survey responses and 586 census survey projects across 150+ countries around the globe from surveys conducted between 2019 – 2022.

Employee Engagement

Engaged employees tend to work harder, care more, and stay longer with their organization. Put simply, employee engagement accelerates workforce performance. WSA measures employee engagement through a validated index of four survey items. The Employee Engagement Index is the average of those who answer favorably (agree and strongly agree) to the following four items:

- **Satisfaction:** Overall, I am extremely satisfied with this company as a place to work.
- **Advocacy:** I would gladly recommend this company as a place to work to people I know and respect.
- **Pride:** I am proud to work for this company.
- **Intent to Stay:** I rarely think about looking for a new job with another company.

The WSA Employee Engagement Index is used as a metric to look across multiple demographic variables to answer several questions that are commonly posed when using benchmark data.

More often than not, WSA clients are interested in understanding how their employee engagement scores compare to others – particularly of those “most like them.”

Clients often say that in order for benchmarks to feel relevant, leaders want to see external comparisons to their specific industry. To them, this provides them with the most competitive lens.

Interestingly, WSA research has found that there is limited variability in survey scores across various industry sectors. Figure 1 shows the average global industry engagement score, as well as the range of scores that would be expected taking into account the margin of error due to sampling.

Engagement Scores by Industry



Figure 1: The average global industry engagement score, accounting for the margin of error due to sampling

Notes: The width of each bar represents the margin of error, calculated with 95% confidence intervals (WSAdata, 2023). Industries with larger amounts of data available show smaller bars due to more precise estimates. Conversely, industries with less data available will show wider bars or confidence intervals. The vertical line inside each bar represents the average percent favorable score by industry.

The vertical gray line, representing the overall score, touches or overlaps with the score range for almost every single industry, with three exceptions: Finance and Insurance, Construction, and Transportation and Warehousing. When the vertical gray line overlaps with the orange industry bars, it means that the industry's range of engagement scores is not statistically significantly different from the overall engagement score.

The conclusion, then, is that most industry norms provide less practical insight than many expect. The cost of using an industry norm instead of the WSA Overall norm often involves a trade-off resulting in fewer items with norm coverage.

How Do Company Scores Compare to Other Organizations of Similar Size?

It is a popular belief that the number of employees within a company influences or is somehow correlated with engagement scores. After all, clients might say that larger organizations are generally able to offer better benefits packages, for example. We may also hear that smaller organizations are able to communicate more seamlessly and 'connect' with employees by knowing each person by name. However, *WSAdata* concludes that this very characteristic of companies (organization size) shows little variation in employee engagement scores, and is consistent with findings by Dhir and Shukla (2018) and the ADP Research Institute (Hayes et al., 2018).

Figure 2 shows minimal difference in engagement scores across organizations of various sizes, as the overall global score (vertical gray line) overlaps each company size cohort (orange lines). Again, the meaning of this overlap is that the range of engagement scores within each group are not statistically significantly different from one another.

Engagement Scores by Size of Organization (Number of Employees)

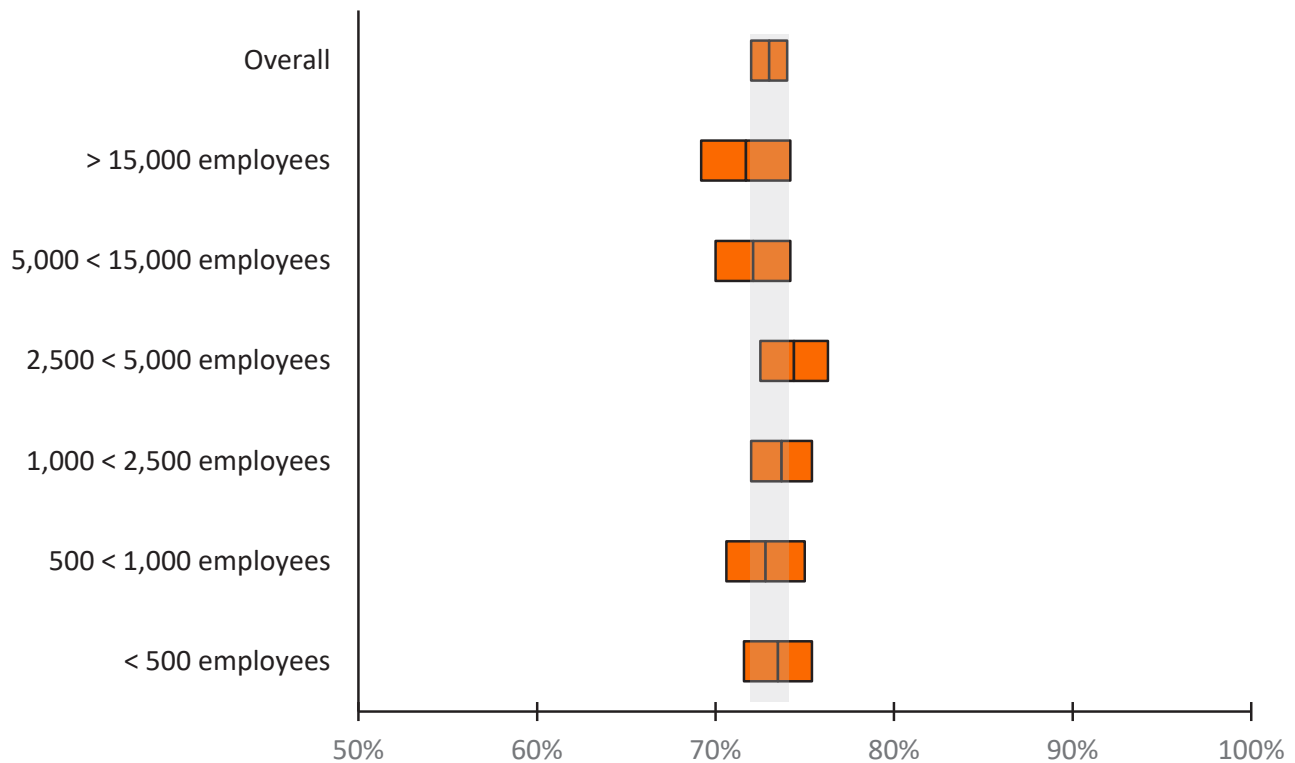


Figure 2: Minimal difference in engagement scores across organizations of various sizes

Notes: The width of each bar represents the margin of error, calculated using 95% confidence intervals (WSAdata, 2023). The vertical line inside each bar represents the average percent favorable score by organization size.

How Much Do Engagement Scores Vary by Country?

As opposed to the finding of minimal differences across industry comparisons, employee engagement scores tell a different story when analyzed by country. As Figure 3 depicts, there is much greater variance

in engagement scores across countries, as many countries' average range of scores do not overlap with the WSA overall score (gray vertical line). Therefore, it can be concluded that country norms are particularly valuable in analyzing survey results and are generally recommended based on the location of employees within an organization.

Engagement Scores by Country

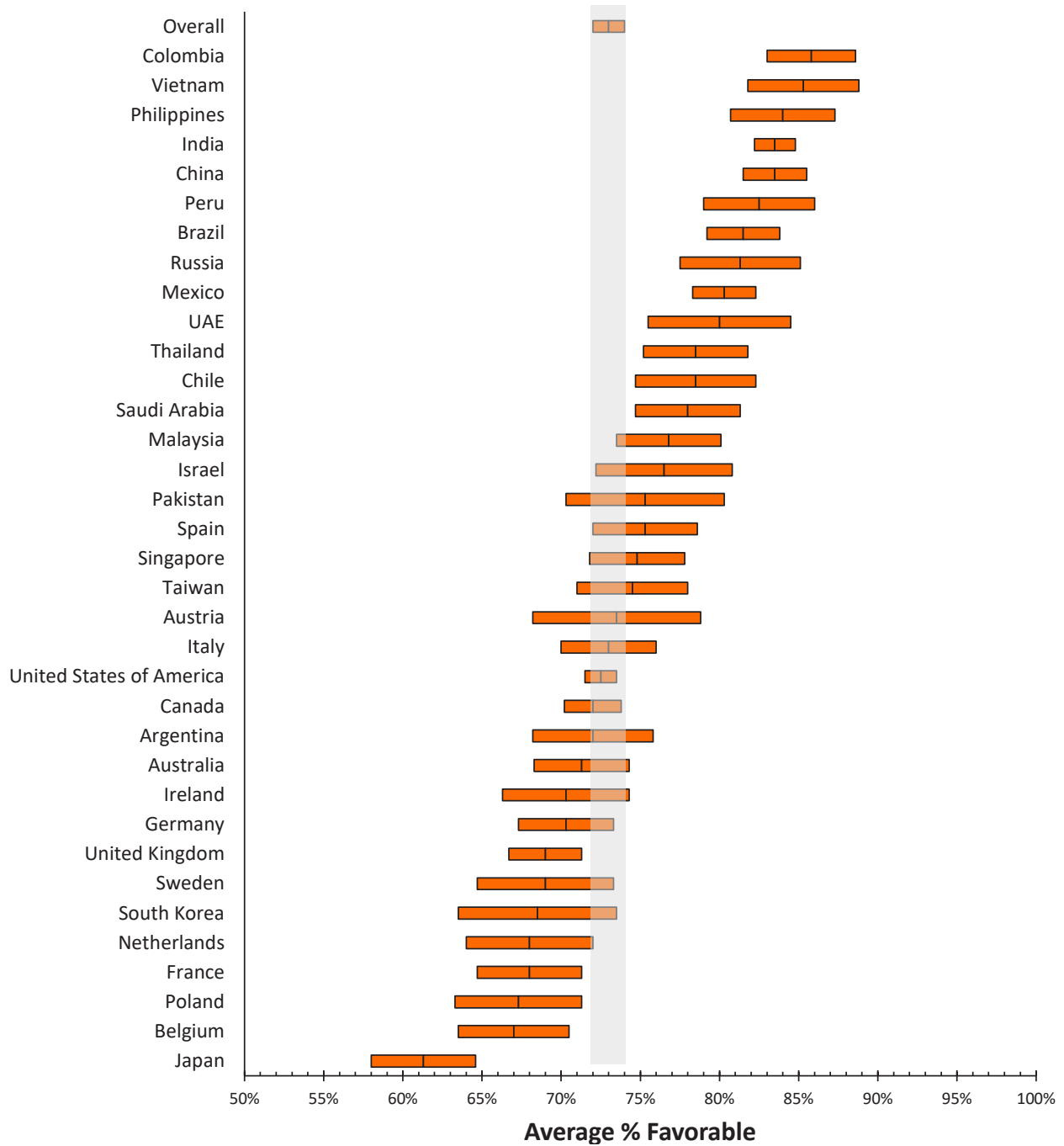


Figure 3: Greater variance in engagement scores across countries

Notes: The width of each bar represents the margin of error, calculated using 95% confidence intervals (WSAdata, 2023). Countries with larger amounts of data available show smaller bars due to more precise data. Conversely, countries with less data available will show wider bars. The vertical line inside each bar represents the average percent favorable score by country.

Upon an initial glance, many may interpret Figure 3 as depicting that employees in Colombia are the most engaged and those in Japan are least engaged. However, this assumption is simply not entirely true. A critical reminder to note here is that the country norms represent what is “normal” in each of these countries. What is “normal” in Colombia is different from what is “normal” in Japan, and this is where the utility of having country

benchmark comparisons are truly evident. WSA’s research, among others such as Hofstede (n.d.), has found there to be variation across survey topics beyond engagement based on the “cultural response tendency” of employees. WSA employee surveys use a standard five-point Likert response scale: strongly agree, agree, neutral, disagree, and strongly disagree. As shown in Figure 4, there are distinct differences in how employees in various countries utilize this response scale.

Engagement Scoring Patterns by Country

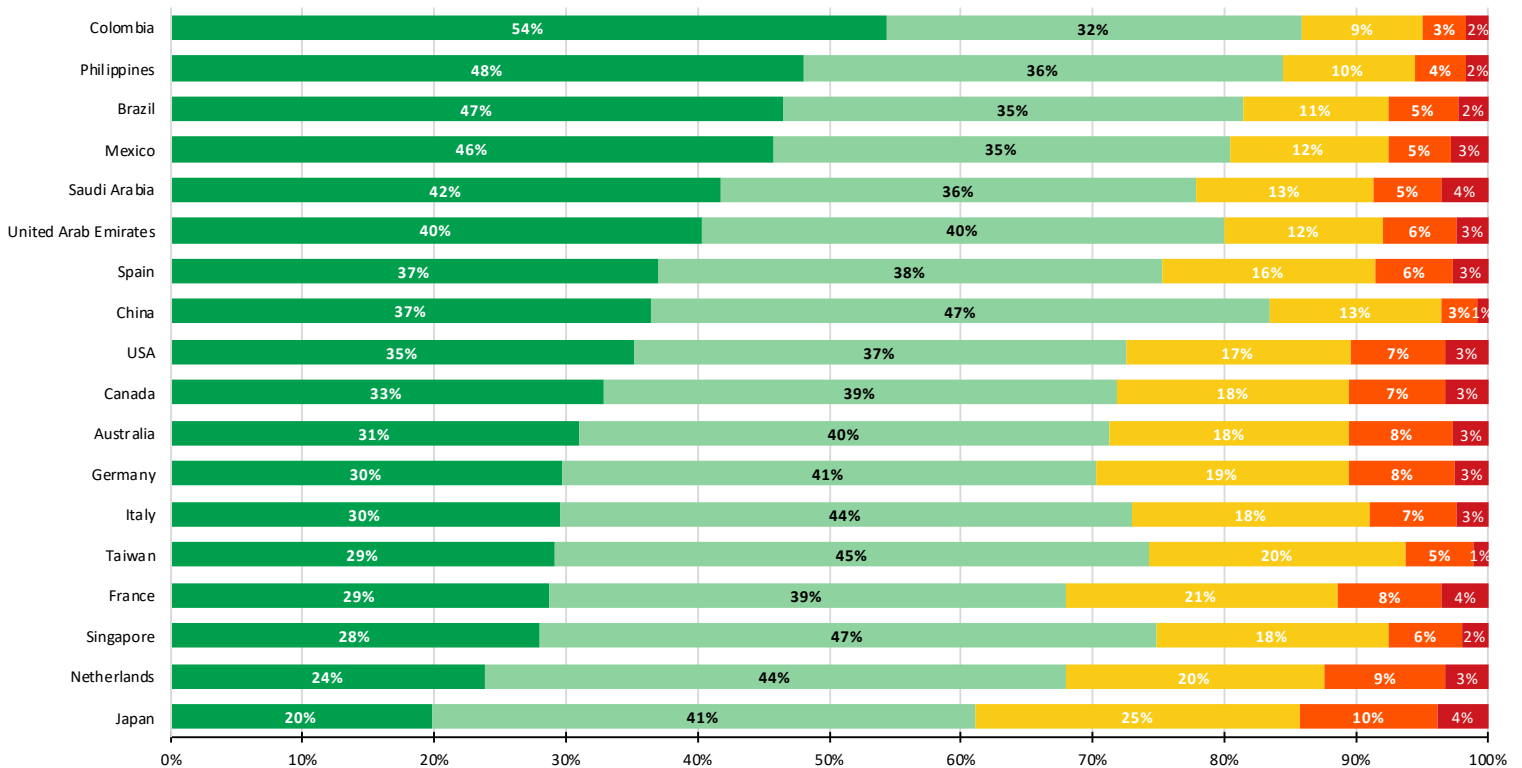


Figure 4: Percentage of employees in various countries utilizing the 5 point Likert scale

Notes: The values represent the average percentage of respondents by response category (from Strongly Agree to Strongly Disagree) (WSAdata).

- % Strongly Agree
- % Agree
- % Neutral
- % Disagree
- % Strongly Disagree

The most notable differences in response patterns are generally found in the strongly agree (dark green) and neutral (yellow) categories. Those within Japan, for example, are much less likely to utilize the strongly agree end of the response scale and more likely to utilize the neutral mid-point. Therefore, directly comparing scores from those in Japan to those in Colombia could lead to inaccurate conclusions and misaligned, or even unrealistic, goals when it comes to efforts to drive higher engagement and performance outcomes. Another critical point to note is that these differences are seen across survey dimensions or topics and are not unique to the Employee Engagement Index.

Logically, it makes sense that response patterns vary by country, as employee sentiment and opinions can be and are influenced by cultural factors. This is a topic that has been studied over time, as cultural characteristics, such as individualism versus collectivism and uncertainty avoidance, identified by Hofstede (n.d.) have been linked to response tendencies.

Conclusion

Employee survey scores can be influenced by many factors – including those within and outside the control of organizational leaders. However, WSA’s research has clarified and consistently found that the size of an organization, as well as industry classification, do not tend to influence the ways in which

employees evaluate their experience within an organization. For example, whether an employee “trusts senior leadership” – a common topic measured in an employee engagement survey – is not impacted by the fact that an employee is in the manufacturing or retail industry. However, WSA research does indicate that culture, particularly regarding the countries in which organizations operate (and where employees reside), does have an impact on the response patterns of employees. The impact is such that observed variance in scores is to be expected when comparing scores from one country to the next. Using the same “leadership trust” example, cultures can have a different way of perceiving or evaluating leaders, which can be reflected in the way employees respond to survey items.

This finding is worth consideration when clients are selecting the best benchmark for their organization. The industry benchmarks aggregate survey responses from all countries. WSA research indicates that the cultural differences found in the country data is what has a significant influence on how they rate the survey items. Therefore, a company’s overall score will most likely resemble the country benchmarks of where employees reside and not the industry benchmark. For example, if a manufacturing company has a large number of employees in Western Europe or Japan, their overall company score will most likely resemble those country scores and not the manufacturing industry benchmark.

All current findings discussed within this paper are congruent with former findings by the IBM Smarter Workforce Institute (Weiner et al., 2016).

Of course, many factors can come into play regarding how an employee may rate their experience at a particular point in time, including organizational culture, personal experiences, external market conditions, and the financial health of an organization. These pieces provide additional valuable context when interpreting the story derived from the data. Nevertheless, benchmarks provide a critical assist to stakeholders in putting survey scores into context in a way that is valuable for driving higher levels of engagement, performance, and retention within organizations.

Recommendations

When done well, hearing and acting on the voice of employees can be a differentiator for an organization. Comparing survey results to the most appropriate norm is key to making the most of survey scores, as is monitoring internal organizational trends over time.

Given that norms vary more by country than industry, WSA recommends using country

benchmarks specific to where employees operate. When a majority, or all, of an organization operates within one country, that country's benchmark will provide optimal insight as a point of comparison. For multinational organizations, it is also of value to compare survey results to applicable country norms. WSA has benchmarks available for dozens of countries, as well as a commonly used North American benchmark (U.S. & Canada only).

Organizations may also consider leveraging "high-performing" percentile norms as a means for setting goals. These benchmarks provide a direct comparison to the best performing companies identified by WSAdata. Commonly, the 75th or 90th percentile scores are utilized. Ultimately, an organization's context, as well as the history and maturity of their listening strategy, should be taken into account when considering suitable norms. An experienced consultant can make appropriate recommendations regarding which benchmark may provide the most valuable and relevant insight into the story behind the numbers of an engagement survey.

About WSA

We believe in the power of applying the right science to make people and organizations successful. We believe in empowering businesses to measure what matters when it matters – so they, in turn, can motivate their people to work harder, stay longer, and care more. We believe that behavioral science is the ingredient for ensuring that employees stay focused on the right things, at the right time, and with the right momentum. We believe that employees' lives are never better than when they are highly engaged and using their talents to contribute to a company, they believe in. And we know that you need a partner who has workforce performance down to a science.

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