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Make more of your survey scores

Best practice advice on using norms

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Employee engagement surveys are used by almost three quarters (72 percent) of organizations employing more than 10,000 workers[1]. How can organizations ensure they are making the most of the insights that surveys can provide?

Interpreting what employee survey results mean is critical to driving the right actions for improvement. Yet, it may not always be obvious where an organization's strengths and weaknesses lie. Understandably, organizations want a point of reference to know how they're really doing. Otherwise, how do you know if a 70 percent favorable employee engagement, or other, score is good or bad, better or worse? To provide this point of reference, organizations wisely turn to 'norms'. Knowing what is 'normal' puts an organization's results into context.

In this paper, we consider the norms organizations should use to most accurately provide a context for their employee survey scores. It's an area with plenty of opinions. We often hear the following refrains when discussing survey scores:

"Our industry is different from others, so we should only compare ourselves to others in our industry."

"We're a large organization, there's no point comparing ourselves to small companies."

"People with different jobs must have different engagement levels, so we need a norm for each job type."

Employee Engagement

Employee engagement is measured using IBM Kenexa's Employee Engagement Index (EEI). The EEI score is the average of those who answered favorably (strongly agree and agree) to the following four items:

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

As we will see in this paper, there is less variation across dimensions such as industry, organization size, and job type than commonly believed. Regardless of the beliefs, there are three key questions that all organizations want answered:

1. **Has employee engagement improved in our own organization?**

2. **How do we compare to other organizations?**

3. **How do we improve employee engagement?**

This paper will help leaders answer these questions by providing practical guidance for organizations looking to uncover the actionable truth in their employee engagement survey results.

About the analyses

The two key data sources for the analyses in this paper are IBM's WorldNorms and WorkTrends™ databases.

WorldNorms: The WorldNorms database contains employee engagement survey data that have been gathered each year from over 200 companies with employees in more than 200 countries. These organizations range in size from over 350,000 employees to as few as 200 employees (median employee size is 6,500). The current database contains over 250 million responses from approximately 5 million employees per year.

WorkTrends: An annual survey administered by the IBM Smarter Workforce Institute to more than 30,000 workers in 23 countries, who work in a cross-section of industries, thousands of different organizations, and all major job families.

What can influence survey scores?

In an employee engagement survey report, the absolute numbers only tell part of the story. What managers really want to know is how to differentiate a strong survey score from a weak survey score or an area of opportunity for improvement. The uncertainty over interpretation is due to the sources of influence that affect survey scores. Certainly, scores should be positively influenced by actions designed to improve the employee experience. However, other factors will influence survey scores as well. There are three broad sources of influence:

Content: Survey scores will vary depending on the topic of the survey item. For example, scores for pay and rewards are typically much less positive than scores on teamwork.

Culture: Survey scores will vary depending on both the organizational culture and the culture of the countries in which the organization operates. Employees will be influenced by both these factors as well as their own personal experiences at work. For example, survey scores in an organization with high trust will differ from scores in one with low levels of trust. Furthermore, scores in Japan are consistently less positive than survey scores in Mexico.

Context: Survey results will vary depending on the context in which the organization operates. This context includes the external market conditions and the internal financial health of the organization.

Each of these factors, among others, can influence survey results. It is no surprise therefore that we have turned to comparisons (and away from absolute scores) to aid interpretation. This is where benchmarks, also known as normative data or 'norms,' become critical in correctly interpreting the results.

Using norms to make sense of survey data

An organization's survey results are often compared to norms, which can be internal or external to the organization. External norms are survey results for a predefined population, estimated from large samples of scores for that population, that offer a comparison point. For example, an industry norm would reflect a sample of survey scores from a number of different organizations in one particular industry. Commonly used external norms include an overall norm across companies, industries, and countries; within a single industry or country; among similarly sized organizations across countries or within a country; or for a particular job type.

Internal norms are comparisons to scores within the organization. One common comparison is the overall company score. Another might include the most engaged units, which is an analysis showing the scores for all questions from the group of respondents in the top 25 percent on employee engagement. However, while the use of norms can help to provide that all-important comparison to aid interpretation of the scores, the right norm needs to be used for the right situation. Using the wrong norm can result in misinterpretation and potentially inappropriate actions.

In this paper, we reveal why industry, occupation and company size norms are less useful than country norms, when it comes to understanding what employee survey results really mean.

Let's turn back now to the questions posed at the start of this paper and find out how to ensure the right actions.

Has employee engagement improved in our own organization?

On the face of it, this question is relatively straightforward. Assuming the organization has measured employee engagement in a similar way in the past, employee engagement trends over time will tell an organization where they are now and where they have been.

Figure 1 gives an example of how one organization's employee engagement score might change over time. The line plots the organization's employee engagement score from 2009 through 2015. It shows a generally stable picture with a small upward trend. The organization can clearly see how it is doing now compared to recent years.

Figure 1. Example of one organization's employee engagement score over time
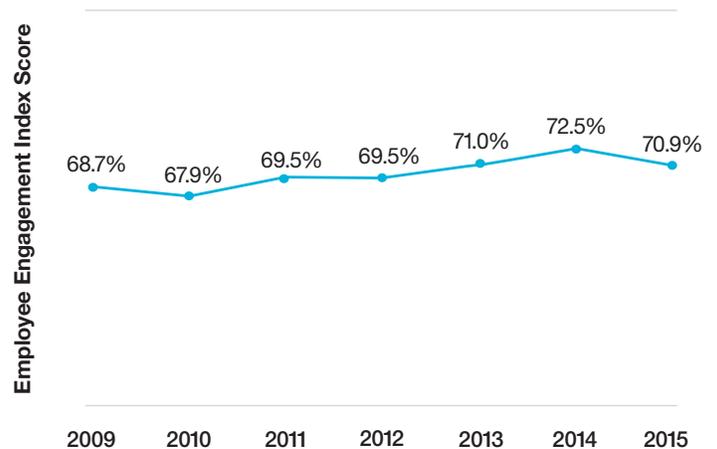
Historical employee engagement scores can guide the target score for the following year. Having data from multiple years is preferable as it reduces the chances of an unusually high or low score being misinterpreted. Knowing the general trend can help organizations temper their next year's target to a more reasonable and achievable improvement.

Trends over time within an organization are even more meaningful when compared to normative trends over time. For example, if a company's scores have gone up, while the global or country norms have gone down, then it provides a powerful message about the company's performance. This point brings us to our second question.

How do we compare to other organizations?

Many organizations are interested in seeing how their employee engagement survey results compare to others. One useful comparison for multinational companies is an overall global norm.

Figure 2 shows the global employee engagement norm from the millions of employee survey responses gathered in the IBM WorldNorms database each year. This shows that, taking into account margins of error, global employee engagement has remained largely stable since 2012 at around 70 percent.

Figure 2. Global employee engagement scores over time
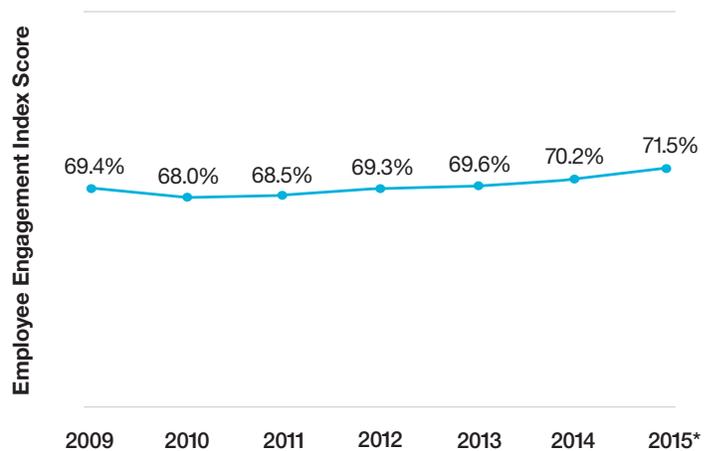
Notes: Data source: WorldNorms database. The data come from surveys administered from 2012 to H1 2015. * reflects first six months of 2015 data.

In addition to a global norm, or sometimes instead of, organizations may want to see other comparisons. Many companies want to see comparisons for their industry sector. There is a logical appeal in comparing survey findings to industry norms because organizations are keen to be doing better than their competitors. Moreover, industry norms have 'face validity' (i.e., they seem like a logical and appropriate comparison) and credibility with management.

"IBM research has found that there is limited variability in employee engagement and other survey scores across industry sectors."

However, IBM research has found that there is limited variability in employee engagement and other survey scores across industry sectors. In fact, our analyses have shown no statistically significant difference between individual industries and the overall engagement scores. As shown in Figure 3, the differences in employee engagement scores between industries are very small and not practically meaningful. The Figure shows the global average score by industry, as well as the range of scores that would be expected taking into account the margin of error due to sampling.

The vertical green line, representing the overall global industry score, touches or overlaps with the score range for almost every single industry (healthcare being the exception, although it is still close in this case). When there is so little difference between each industry and the overall global industry score on employee engagement, there is little insight one can obtain from industry norms.

Figure 3. Employee engagement by industry
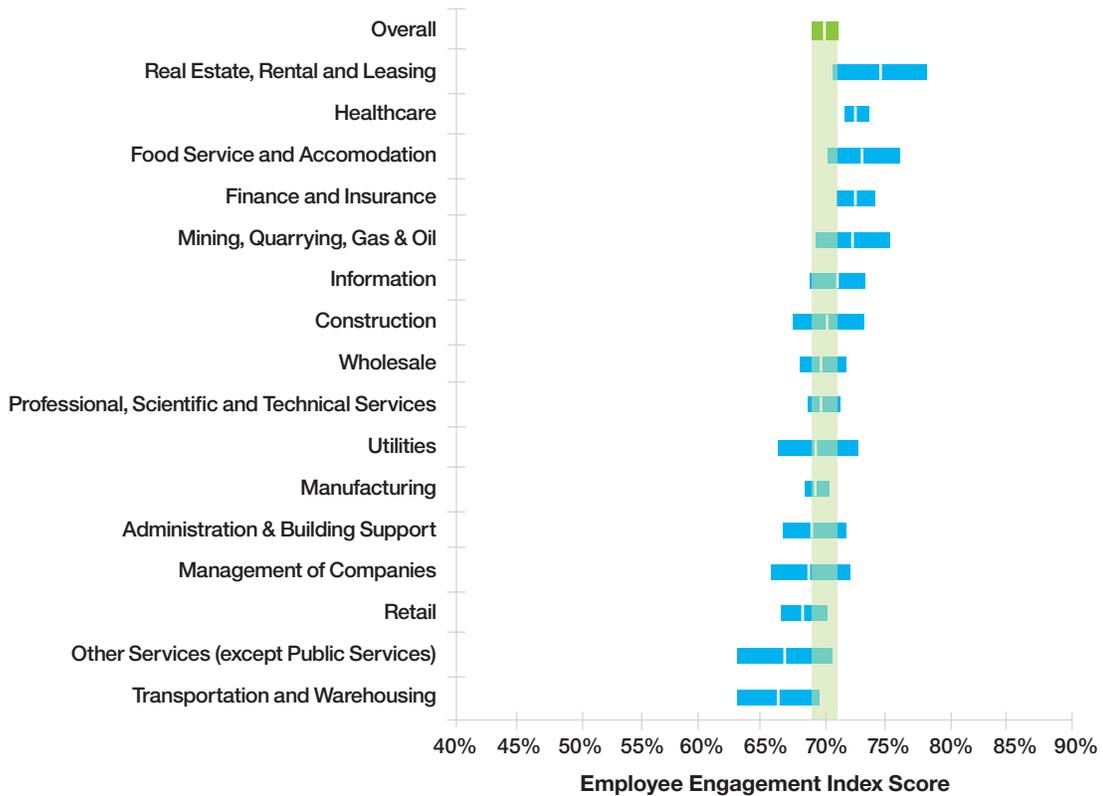
Notes: Data source: WorldNorms H2 2015. The data come from surveys administered from 2012 to H1 2015. Each bar represents the margin of error. The vertical line inside each bar represents the average percent favorable score by industry. For example, the average score for Overall = 70% favorable with a margin of error of one percentage point. Margins of error are calculated at the 95% confidence intervals.

Furthermore, it's not just industry norms that show little variation. IBM research has found that other characteristics of companies (number of employees) and of individuals (occupation) have very little variation in employee engagement scores. And, a critical point to note here: this pattern of results is consistent across many employee survey topics and questions, not just employee engagement.

As Figure 4 shows, the overall vertical bar is once again touching or overlapping with the horizontal occupation bars, highlighting the very small differences in engagement scores across many different occupations.

Interpreting Figures 3, 4, 5 and 6

Each horizontal blue box represents an industry (Figure 3), an occupation (Figure 4), company size (Figure 5) or a country (Figure 6). The vertical white line in each box is the average score for that industry, occupation, company size or country. The edges of the box indicate the upper and lower margins of error.

The green vertical bar appearing down the middle of every figure shows the average overall score across all industries, occupations, companies sizes or countries.

Figure 4. Employee engagement by occupation
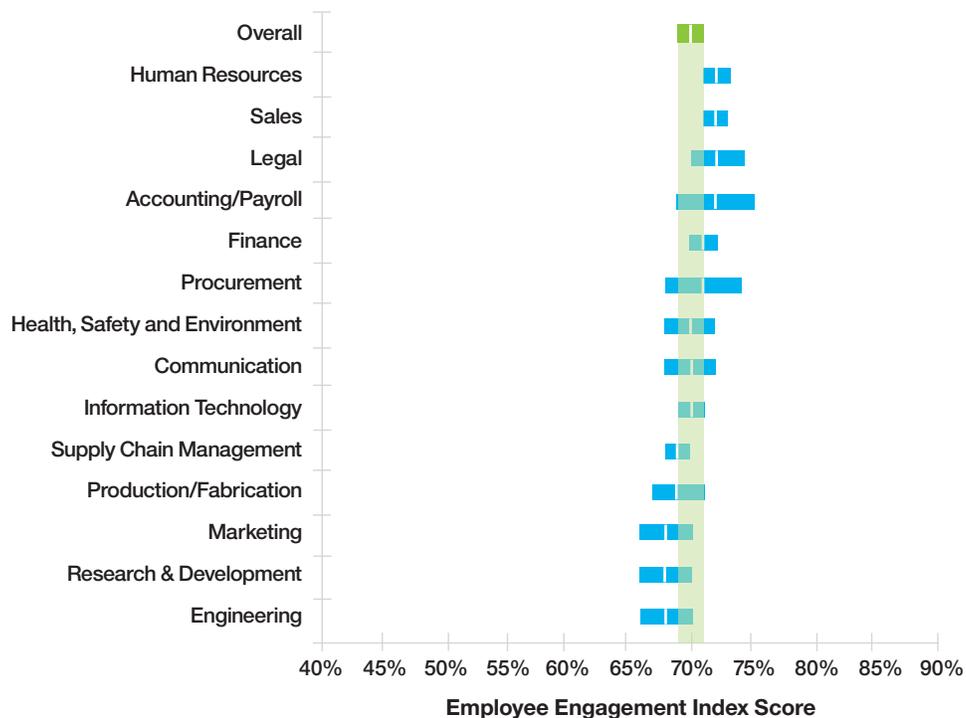
Notes: Data source: WorldNorms H2 2015. The data come from surveys administered from 2012 to H1 2015. Each bar represents the margin of error. The vertical line inside each bar represents the average percent favorable score by occupation. For example, the average score for Overall = 70% favorable with a margin of error of one percentage point. Margins of error are calculated at the 95% confidence intervals.

A very similar picture emerges when we consider employee engagement by organizational size (Figure 5). Once again the overall score for all organizations, regardless of size, overlaps every grouping of organizational size. There simply is not a lot of difference in employee engagement when we look at organizational size.

Figure 5. Employee engagement by organizational size
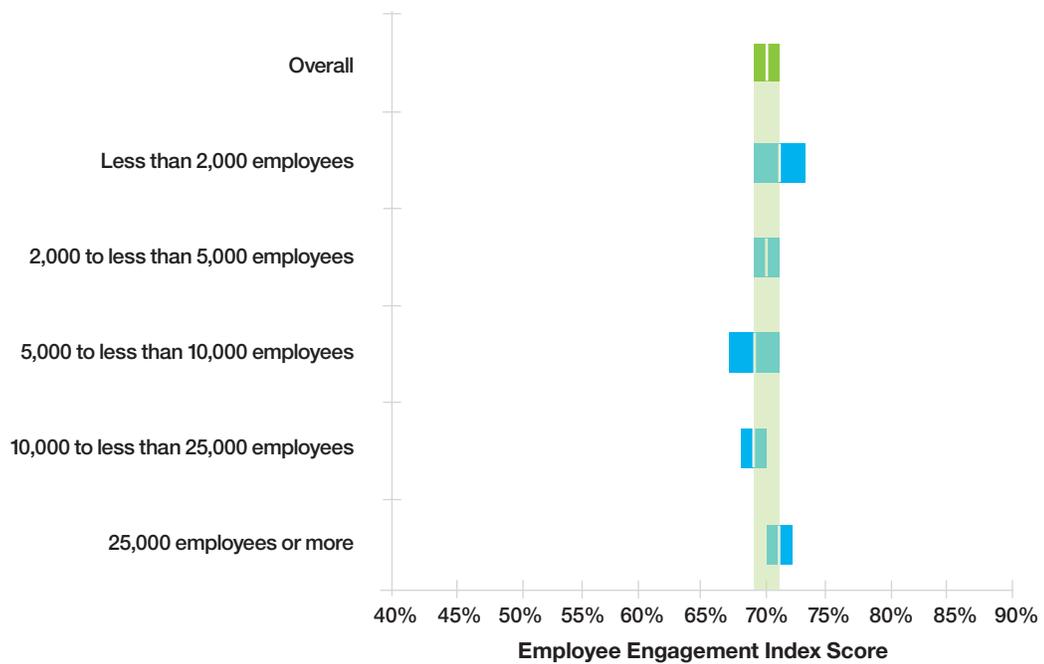
Notes: Data source: Data from 701 census surveys administered from 2012 to H1 2015, comprising: companies with less than 2,000 employees, 133 census surveys; companies with 2,000 to less than 5,000 employees, 157 census surveys; companies with 5,000 to less than 10,000, 118 census surveys, 10,000 to less than 25,000 employees, 145 census surveys; companies with 25,000 or more employees, 148 census surveys. Each bar represents the margin of error. The vertical line inside each bar represents the average percent favorable score by organizational size. For example, the average score for Overall = 70% favorable with a margin of error of one percentage point. Margin of errors calculated at the 95% confidence intervals.

The data above show that norms across industry, occupation, and company size are so small that they will not yield a great deal of insight for a company when used for normative data purposes. However, we observe much bigger differences when we consider survey scores by country.

Country norms

A country norm is an alternative comparison point for organizations, especially those with multinational operations. Looking at employee engagement scores by country (Figure 6), we can immediately see how much more varied the scores are compared to the industry scores in Figure 3, the occupation scores in Figure 4 and the organizational size scores in Figure 5. The vertical green overall line (average across all countries) does not overlap many of the horizontal country bars. There are very clear differences.

Figure 6. Employee engagement by country

Employee Engagement Index Score

Notes: Data source: WorldNorms H2 2015. The data come from surveys administered from 2012 to H1 2015. Each bar represents the margin of error. The vertical line inside each bar represents the average percent favorable score by country. For example, the average score for Overall = 69% favorable with a margin of error of one percentage point. Margins of error are calculated at the 95% confidence intervals.

There are a number of reasons for this finding. Local market conditions will have an influence on employment practices and employee behavior. Employee expectations on what they should receive from their employer will vary based on local market conditions.

Another important factor accounting for country variation is what might be described as the 'cultural response tendency' of employees completing surveys. Most employee surveys use a standard five-point Likert response scale such as the following: strongly disagree, disagree, neutral, agree and strongly agree. There are consistently observable differences across countries in how employees use this response scale.

Japan provides a clear example of this. In comparison to other countries, Japanese employees are less likely to use the strongly agree end of the response scale and more likely to use the middle, the neutral point (see Figure 7).

Figure 7 highlights just how differently workers in different countries answer the same employee engagement items, particularly when it comes to selection of the neutral and strongly agree options.

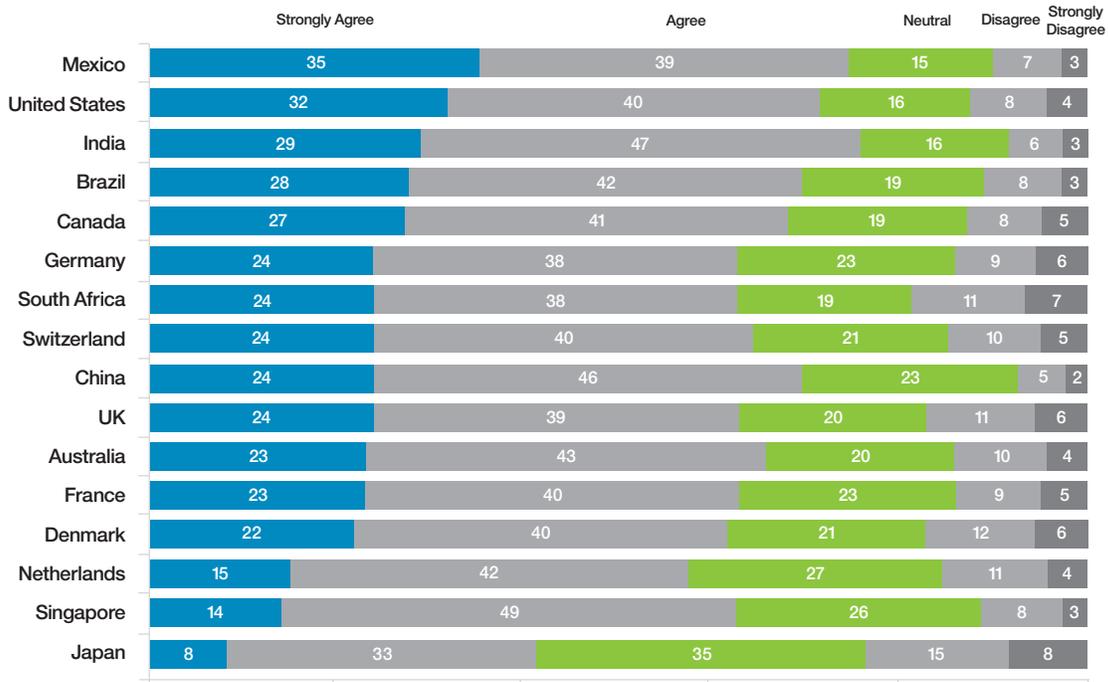*Figure 7.* Employee engagement by country (WorldNorms data)
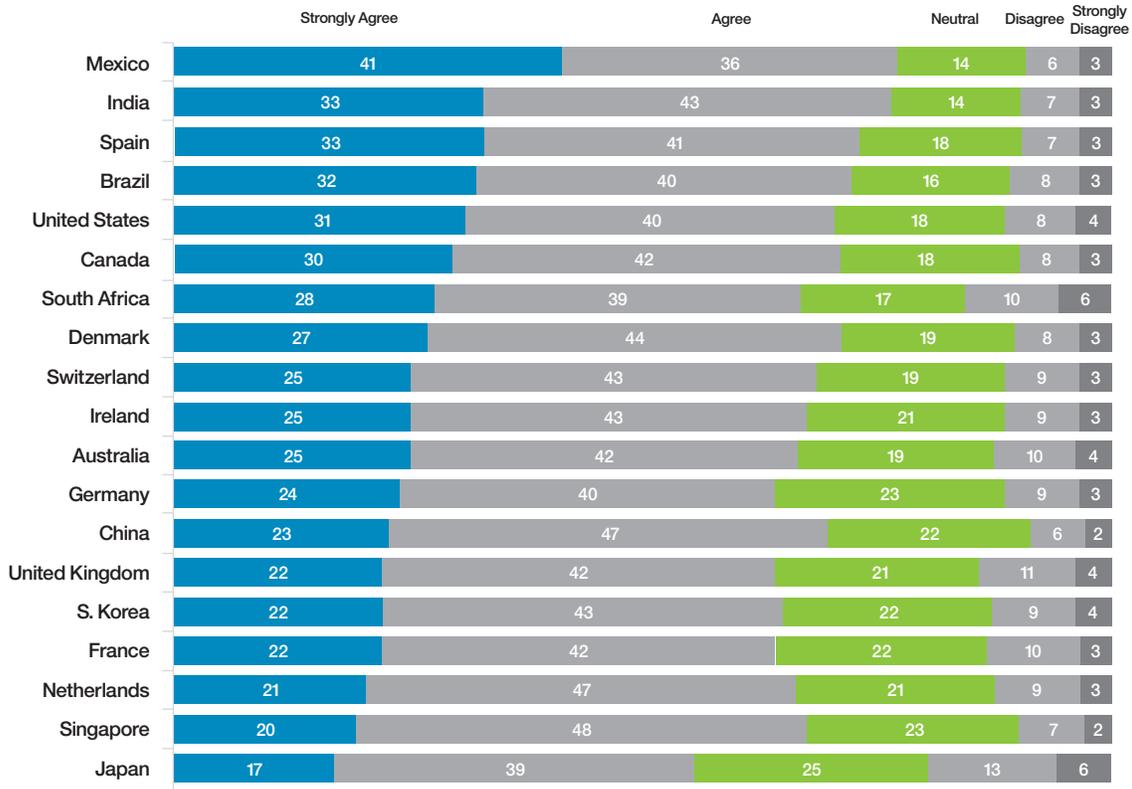
Notes: Data source: WorldNorms H2 2015. The data come from surveys administered from 2012 to H1 2015. The values represent the average percentage of respondents by response category (from strongly agree to strongly disagree).

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These differences in how workers in different countries answer the same question is replicated across other databases as well. Using a sample of workers (not IBM clients) from thousands of different organizations around the world from the annual IBM WorkTrends survey, a similar picture emerges (Figure 8). Once again, the use of the strongly agree category is more popular in countries like Mexico and India, much less popular in countries like Singapore and Japan.

Figure 8. Employee engagement by country (WorkTrends survey)

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Mexico	35	39	15	7	3
United States	32	40	16	8	4
India	29	47	16	6	3
Brazil	28	42	19	8	3
Canada	27	41	19	8	5
Germany	24	38	23	9	6
South Africa	24	38	19	11	7
Switzerland	24	40	21	10	5
China	24	46	23	5	2
UK	24	39	20	11	6
Australia	23	43	20	10	4
France	23	40	23	9	5
Denmark	22	40	21	12	6
Netherlands	15	42	27	11	4
Singapore	14	49	26	8	3
Japan	8	33	35	15	8

Notes: Data source: WorkTrends 2015 (N=13,300) The values represent the average percentage of respondents by response category (from strongly agree to strongly disagree).

Why responses vary by country

Why people in some countries have a tendency to respond in particular ways has been the subject of academic exploration. Academicians have investigated these 'response tendencies' in an attempt to tease out genuine differences of opinion. Below is just a sampling of others' research that can, at least in part, explain the role of culture in survey responses:

- Several research studies have linked Hofstede's[2] definitions of cultural characteristics with response tendencies. For example, Harzing[3] found that the higher level of a country's collectivism (identified by Hofstede as associated with consensus seeking and social harmony, such as in East Asia), the higher its tendency to choose the neutral or middle response.

- In addition, Stening and Everette[4] claim that in Hispanic cultures, those valuing sincerity, people are more likely to choose the endpoints of the response scale as reflecting more sincere responses. Other studies further indicate that Hispanics show an extreme response tendency particularly towards the positive end of the response scale.[5,6]

- Finally, Meisenberg and Williams[7] provide research to show that acquiescent (tending to agree whatever the question) and extreme (tending to use the strongly agree and strongly disagree ends of the Likert scale) responding are positively related to age and negatively related to education and income in most world regions. Both response styles have been shown to be most prevalent in less developed countries.

The variation in country responses is a phenomenon that is seen both in academic work and in organizational practice. Surveys capture people's actual opinions, but those opinions are also influenced by cultural and other factors.

Using country norms

These variations by country are why we believe country norms are critical for the accurate interpretation of survey results and to lead to the understanding of genuine strengths as well as opportunities for improvement. Choosing a country norm allows an organization to understand what is normal in that country and to put their score in the most appropriate context.

Our advice for multi-national organizations is to look at employee engagement and other survey scores within countries. In other words, use a country norm rather than a global industry norm.

If the organization is operating in a single country, comparison to a global industry norm could produce misleading results. For example, if the company operates in Japan, its employee engagement survey results might look low compared to its global industry norm when, in fact, compared to other organizations in Japan, the company could be performing very well.

If the organization operated in Mexico, the opposite could occur when comparing local results to a global industry norm. Many survey scores would be above the global industry norm because the survey results in Mexico tend to be more positive in comparison to other countries. As a result, the organization could potentially be misidentifying issues as strengths, when they are in fact average or genuine areas of concern.

It should be recognized that for organizations operating in just one country, a local (single country) industry norm could be desirable. However, not only have we already highlighted the lack of variation, it is also important to be mindful of sample sizes. Small sample sizes, which may be the case for norms by industry within a country, make it more difficult to draw firm conclusions about real differences between an organization's scores and the normative scores. In addition, just as we did not see industry differences at the global level (Figure 3), we do not see a great deal of differences across industries at the country level either.

Now that we've answered the question about norms and the best points of comparison, let's turn to the final of our three questions.

How do we improve employee engagement?

In addition to understanding their current scores, most organizations want to know how they can improve. And it is not just about improving employee engagement and other scores for their own sake. When employees hold positive attitudes at work, organizations see lower voluntary turnover rates[8] and higher employee performance[9]. Employees' attitudes also have been shown to play a causal role in individual employee performance[10,11], and organizational performance.[12,13]

Typically, when organizations want to know how to improve their employee engagement scores, they conduct a *priority or driver* analysis. A driver analysis identifies survey items that are most highly correlated with employee engagement. These are items on which the organization can take action that will have the greatest influence on the outcome of employee engagement.

In summary, monitoring trends over time inside an organization, using the most appropriate external norms to provide context for survey results, and focusing on drivers of engagement will, together, ensure organizations are making the most of the insights that surveys can provide.

Recommendations

When it comes to listening to and acting on the voice of the employee, employee engagement surveys have a critical role. In addition, as we have seen, there are a number of important considerations when choosing normative data that facilitate an accurate interpretation of strengths and weaknesses in an organization's survey scores. Here's a summary of the guidance in this paper:

- Do consider employee engagement and other trends over time within your organization, but be careful about a single year that shows a significantly higher or lower result than the trend. Ensure these results are considered in the context of business results and broader economic conditions.

- If you use an external norm to compare or benchmark your performance, a single country norm may be appropriate for an organization located mostly in one country. An overall global norm can be useful for an international company to compare its overall scores, and multiple country norms may be helpful for country comparisons within a multinational company. An experienced consultant (internal or external) can make appropriate recommendations about what norms are best for the most appropriate insight, including which norms will best help an organization understand how its survey items behave given the countries in which it operates.

- When more detailed comparisons are desirable, our general guidance is to choose country norms over an industry norm. Employee engagement and other survey results vary more by country than industry, and country norms lead to more accurate insights into the organization's performance in relation to others.

- Finally, focus on improving employee engagement by monitoring trends, comparing an organization's results to the most appropriate norms, and taking actions on the identified key drivers of employee engagement.

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