
June 2009

“How do we compare?” The essential role of benchmark data

Contains benchmark data on job loyalty, satisfaction,
management communication and performance appraisal



Contents

Introduction	2
Internal and external benchmark data	2
External benchmark data puts results into context	3
Data from the <i>ETS Employee Survey</i> benchmark database	4
How reliable is benchmark data?	5
About ETS.....	5

Introduction

Most major UK businesses survey their employees in order to garner insights that can be used to make (and measure) business improvements. A key challenge is to draw simple, correct conclusions from the large volume of data that is collected. This paper explores the role of benchmark data in helping organisations understand and act on their results. It also provides sample contemporary benchmark data from the *ETS Employee Survey*.

Internal and external benchmark data

The people responsible for interpreting survey results – normally HR and communications practitioners and senior leadership – will usually seek context for their latest survey results by referencing benchmark data, of which there are three main types:

1. Internal benchmark i.e. a comparison with previous results from the same company, which allow a meaningful, longitudinal view. Scores often improve or decline after actions taken by the company and in response to unrelated, external factors.
2. External organisation's benchmark. This is a large dataset with millions of views collated from a range of organisations. It is possible to select geographic or sector subsets of the database (e.g. financial services organisations), to allow comparison with peer organisations.
3. External sample benchmark. Where the views of a small but representative survey of working people are recorded. This is rarely used in employee research but can be useful for organisations that want to compare their results with, for example, the entire working population.

External benchmark data puts results into context

An organisation's historical and overall scores are essential to interpreting the latest results while an external benchmark will determine whether your survey scores are wildly different from the norm.

The scores for any given question in isolation may appear to be unfavourable to a company. For example, a low average score to a question about the fairness of basic pay may be a cause for concern. In fact, only a minority of employees are happy with their pay (45.5%) according to the *ETS Employee Survey* (the name given to the ETS benchmark database). If more than 45.5% of employees in the reader's organisation say that their pay is fair, their organisation is performing above average on this measure.

This example highlights how the absolute score may be less relevant than the comparative score. Other reasons for this include:

Recessionary fears have decimated employees' confidence that their employers will meet their objectives

- Employees find it easier to agree with some statements than others. To many, it's easier to agree with the statement 'Overall, I am satisfied working for the company' than with 'Morale in the company is high at the present'. When talking about overall satisfaction, the employee is weighing up their total work experience; they are unlikely to say they are unhappy unless they are actively planning to leave. Morale is a judgement about the general atmosphere and, in the UK, it's a cultural norm to play down success and emphasise the negative. (Some organisations 'inflate' UK survey scores to enable level comparisons with more up-beat populations such as the US)
- People will generally not agree with a statement they believe could lead to unfavourable consequences. Employees may think that if they (and everyone else) agree that they are well remunerated, the organisation may not increase pay. That's not to say that low scores should be ignored.

In addition, employee attitudes change in response to external events. According to the *ETS Employee Survey*, the percentage of employees who were confident that the company would meet its objectives for the following year fell dramatically during the last quarter of 2008 to 57% from a two-year average of 84%. This reflects employees' beliefs about their employer operating in a recession.

Data from the *ETS Employee Survey* benchmark database

The *ETS Employee Survey* contains millions of responses to ETS questions. The questions are presented as attitude statements with responses often given using a four-point Likert scale to calculate the average (mean) score:

- Strongly disagree 1
- Disagree 2
- Agree 3
- Strongly agree 4

If the reader has results from their company survey, they may find it useful to compare it with the *ETS Employee Survey* scores presented below, which is for the two years to December 2008. Please contact us at info@etsplc.com if you would like to do this but your data uses another scale.

Statement	Average score (mean)	Percentage who agree or strongly agree
I intend to be still working for the Company in a year's time	3.15	86.9%
Overall I am satisfied with working for the Company	3.08	87.0%
Senior management communicates everything we need to know from them	2.77	68.0%
I am satisfied with the performance appraisal system	2.59	61.9%

Overall questions such as pride in the organisation are used as measures of employee engagement, with ETS grouping these into an 'Engagement index' to monitor the impact of business improvement initiatives (which are themselves often devised with reference to employee survey data).

Responses to more questions about senior management communication and performance appraisal systems can be used to inform more operational changes, for example, about the visibility of senior executives.

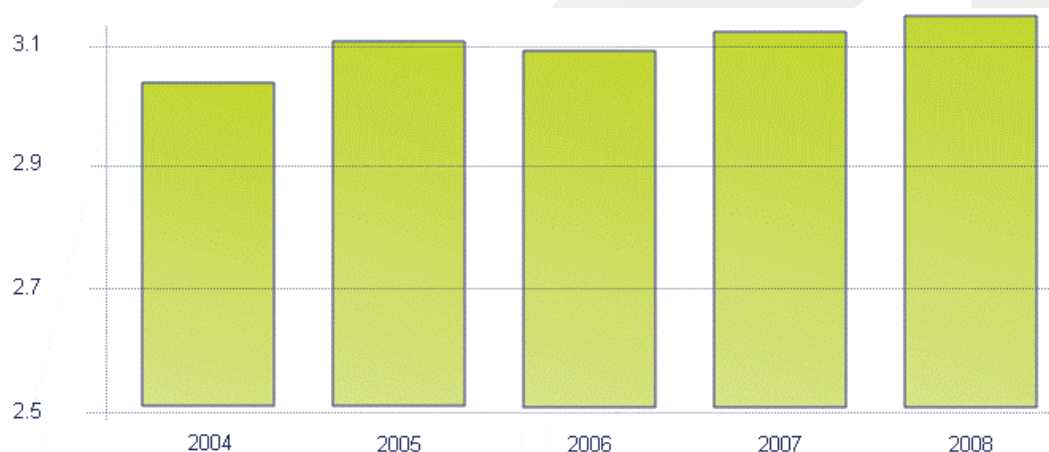
ETS groups questions into an 'Engagement index' based on the organisation's specific context

How reliable is benchmark data?

Benchmark data such as the *ETS Employee Survey* are reliable on account of the large number of surveys, respondents and responses collected. This provides a stable comparator with relative peaks in one sector averaged out by relative troughs in another. It is also possible to compare the results of an individual survey to the subset of the data that most closely correspond to the organisation e.g. a bank can compare against other financial services institutions.

The data in the benchmark needs to be updated on a rolling basis so that the current survey is being compared with a set of contemporary responses. The *ETS Employee Survey*, for example, contains results for the last two years.

While organisations rightly have confidence in benchmark data, it benefits from interpretation. A good example is the statement 'I intend to be still working for the Company in a year's time'. As the graph below shows, responses have improved over the last five years from an average of 3.04 to 3.15. However, ETS's advice is to be cautious when using job loyalty as a measure of engagement during the current recession since it may reflect employees' greater desire for job security and the lack of alternative employment opportunities.



Intention to stay. 2004-2008 inclusive. Data from *ETS Employee Survey*

About ETS

ETS designs, develops and hosts employee research, performance management and 360-degree feedback solutions for world-leading UK and international companies. ETS clients include Allianz, Centrica, Coca-Cola Enterprises, House of Fraser, Ikea, Johnson Matthey, Land Securities, National Trust, PepsiCo, Rexam, Thomas Cook and Virgin Atlantic.

ETS delights its customers through creating their ideal world solutions and through excellent customer service. You can access written and video case studies of ETS clients at www.etsplc.com. For more benchmark data or to discuss your survey needs, please email info@etsplc.com.

Expert Training Systems plc
123 New Zealand Avenue
Walton on Thames
Surrey KT12 1QA

Tel: +44 (0) 1932 222 700
Fax: +44 (0) 1932 222 808

www.etsplc.com

The content of this document is copyright 2009,
the property of Expert Training Systems plc