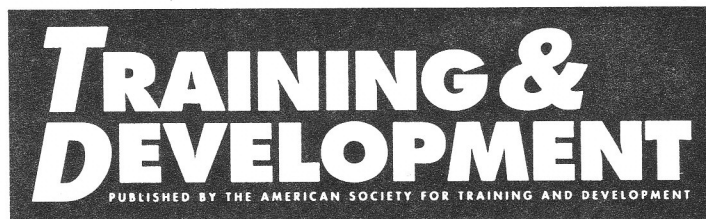


Benchmarking Employee Attitudes

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Reprinted from



JUNE 1992

AMERICAN SOCIETY FOR TRAINING AND DEVELOPMENT
Alexandria, Virginia

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COMPARING THEM WITH
AN AVERAGE MAY NOT LEAD
TO IMPROVEMENT. INSTEAD,
YOU SHOULD BENCHMARK
AGAINST THE BEST.
HERE ARE SOME TIPS
FOR HOW TO GO ABOUT IT.**

Benchmarking Employee Attitudes

BY DAVID W. BRACKEN

The total quality movement has pushed benchmarking into the spotlight. Benchmarking is a systematic process for comparing some aspect of an organization against that of a company that is considered to be superior in that area. It requires a company to define its critical operations, to identify companies that perform chosen operations exceptionally well, and then to collect measurements from those companies as well as from its own operations.

For example, when Baldrige-winner Xerox wanted

to benchmark its product delivery services, it looked to L.L. Bean as a premier provider in that area.

As benchmarking gradually becomes a common practice in developing total quality cultures, employees' views of their organizational cultures have also become objects for comparison across firms.

Many companies have surveyed employee attitudes for some time through paper-and-pencil surveys. Many regularly compare their survey results to those of other companies. Data bases of employee opinion norms are available through consulting firms and consortia.

Most employee surveys use five-point response scales with "agree"/"disagree" anchors (strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree) or "satisfied"/dissatisfied" anchors (very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, or very dissatisfied). Other variations of the scales are possible, but companies that want to be able to compare their survey results should use comparable response scales.

Results are typically reported as a single "favorability" index; in other words, as a percentage of respondents who gave the item favorable ratings. To come up with the favorability rating, compilers collapse the "agree" and "strongly agree"—or "satisfied" and "very satisfied"—responses into a single score.

A single index has the drawback of masking the strength of the opinions. Some survey designers wonder why they bother with five- or seven-point scales, when the resulting favorability score will report only one attitude—almost as if the survey had asked for a yes-or-no choice.

For example, say that three different companies include a particular item on their employee surveys.

Respondents are asked whether they strongly agree, agree, are neutral, disagree, or strongly disagree with the statement. The results are as follows:

- ▶ At Company A, 40 percent of employees agree and 60 percent are neutral.
- ▶ At Company B, 40 percent of employees strongly agree and 60 percent strongly disagree.
- ▶ At Company C, each of the five possible answers draws a 20 percent response.

For all three companies, the responses would be reported as "40 percent favorable," though the firms' employees obviously have very different opinions on the topic. It is not unusual to find differences like these lurking inside "equal" favorability scores.

Organizations should be aware of the limitations of norms, the differences between norms and other benchmark measurements, and ways in which the use of norms may be inconsistent with total quality cultures. If management insists on using normative data, the department charged with implementing the request should be prepared to ensure that the norms it looks at are the best available.

Using norms as benchmarks

Certainly the first decision should be whether the use of employee opinion "norms" is consistent with the culture an organization is trying to develop or maintain.

The issue here is one of measurement and content. A norm is an indicator of normal or average performance. In looking at norms, an

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organization is comparing itself to an "average" company. The implication is that it will be satisfied if it can say that it is better than average. This in itself is inconsistent with benchmarking, which involves a company comparing itself with the best companies in a specific performance area.

One partial solution to the problem of comparing to "average" companies is to restrict the comparison group to "excellent" companies. This is still a comparison to an average, but at least it's a comparison to the average "excellent" or "best" company.

The next challenge is to define excellent or best companies. The choice of firms depends on what aspect of organizational performance you are examining. For example, you may want to look at excellence in customer service, training, quality, pay, communications, or benefits. Every company would have its own list of "excellent" companies with which to compare itself; the lists may change from year to year.

Comparisons to averages are inconsistent with the concept of continuous improvement, which is an integral part of most total quality initiatives. Comparisons to averages do not prevent setting targets for improvement. But many organizations that use norms give low priority to areas in which they exceed the averages. Even relatively low scores can get lost in the shuffle if they are

Employee Attitudes: Sample Survey Items

The following statements are typical of those used on employee attitude surveys. Responses from a company's employees are tabulated and compared to average scores in a data base of responses from other companies.

For each of the following statements, employees tell whether they strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.

- ▶ Work activities are organized sensibly in this company.
- ▶ When a new person comes on staff, he or she gets very good supervision and instruction until the job is learned.
- ▶ Problems between units are worked out, through mutual effort and understanding, at the level at which they appear.
- ▶ My supervisor handles conflict well.

- ▶ I have difficulty obtaining the information that I need in order to do my job.
- ▶ This company is generally quick to use improved work methods.
- ▶ People above my supervisor are receptive to ideas and suggestions coming from my work group.
- ▶ People are just cogs in the machine in this organization.
- ▶ The pay scale and benefits at this organization treat every employee equitably.
- ▶ Exceptional performance is rewarded in this organization.
- ▶ There is a real future for people in this organization if they apply themselves.
- ▶ It is obvious that management has a clear sense of the purpose and mission of the organization.

Compiled by Training & Development staff.

higher than the comparison scores.

If a company can define a group to benchmark against—and if the comparison data base exists somewhere—someone must next determine exactly what information will be compared. Topics addressed in the survey questions must be consistent with the organization's targeted culture.

For example, a company may be ready to move away from the classic survey topics about pay, perks, promotions, and parking. It may be moving instead toward content areas that reinforce the role of the employee in the success of the company—such as customer service, quality, teamwork, communication, and supplier relationships. Normative data bases with current data and timely topics are not easy to find.

A good normative data base requires great care to ensure standardization of data collection. It also requires an understanding of the characteristics of the contributing organizations. A normative data base should not be managed like a charity drop site, where there is little concern about the data that are contributed, under the assumption that they can be reworked later. The potential consumer of this information should be knowledgeable about three aspects of the data base:

- ▶ survey items used to gather the information
- ▶ data submission procedures
- ▶ organizations represented.

The items

What questions are on the survey? A survey provider should list all the questions in the data base, with a notation of how long they have been in use and how many observations are available for each item. If the provider does not require all participating organizations to use all or most of the questions, there may be wide variations in the amount of data available for each item.

The box on page 50 lists some common survey questions.

Are all data based on the same usage of items? A high-quality data base will require all contributing companies to use the same wording and the same response scales. Any deviations from the standard wording,

including inserting a company name, could affect results. Also, the chosen response scales should never be changed. Organizations often take liberties with response scales, due to precedent and preferences.

A favorite target for change is the definition of the midpoint on a five- or seven-point scale. "Neither agree nor disagree" is not interchangeable with "no opinion" or "don't know." Each choice implies something different. Adding an extra choice of

could be made up of one company of 90,000 employees and 19 companies with a total of 10,000.

Equal weight implies that the responses of each of the 20 companies are averaged in as single numbers, regardless of the number of employees surveyed. This may or may not be agreeable to you, but the alternative may be using a "norm" that is based on information from just one or two companies.

Is the data base broken out by

THE BEST COMPARISON IS TO YOURSELF. DESIGN A SURVEY AROUND YOUR VISION, VALUES, AND GOALS, AND USE IT TO MEASURE PROGRESS

"don't know" is inappropriate if other submitting companies do not. The keeper of the data base should have strict rules for standardized wording and response scales.

Data submission and reliability

How old are the data? It is hard to say exactly when data become "dated." As a general guideline, the best data bases contain information that has been collected within the last two years. Older data are discarded.

Are data from each company "representative"? Some contributing companies may have surveyed only parts of their organizations (such as one division), or may have collected samples that are not reliable. The data base should include only organizations that can guarantee that the results are representative of their entire companies. A common definition of "representative" should lie within the expertise and responsibilities of the data base provider.

How are data represented in the data base? Are they weighted by number of observations or does each company's entry get equal weight? The issue here is whether the data really represent multiple organizations or are basically the responses from one or two large companies. For example, a data base of 20 companies and 100,000 observations

industry? Some normative data bases attach industry designations. The implication is that attitudes vary depending on industry group. Problems arise when there is no consensus on appropriate comparisons. If a provider of norms advertises industry norms, the list of industry groups and associated definitions should be available. Companies that have holdings in various industries can also complicate comparisons. The potential consumer of norms should seek clarification on such issues.

Is the data base broken out by demographics? Some data bases collect information on such areas as sex, race, tenure, job, family status, union or nonunion affiliation, management or nonmanagement status, and exempt or nonexempt status. These categories permit many types of analysis, but not all organizations choose to collect such information.

Problems may also arise when sampling is used in an organization; subgroup breakouts may be too small to be statistically reliable.

The companies

Does the data base provide information on the companies that are included? If a company wants to compare itself to other organizations, it needs to know more than just their names. A list of participating compa-

nies should include the following information:

- ▶ date of survey
- ▶ number of observations collected
- ▶ percentage of the total organization represented by the data
- ▶ indication of whether data represent the entire organization
- ▶ information on whether this was a one-time survey or part of an ongoing survey program.

Review the list of companies in the data base with management early in the process. It can save you the embarrassment of having managers reject the comparisons because "those are not the companies we should be comparing ourselves with."

Are some companies excluded? The data base provider should have some guidelines and criteria for determining whether to include a company's data. Certainly, information collected through some surveys is not suitable for inclusion in a norm set.

Is it possible to customize a list of companies to benchmark against? One option could be to allow a company to pick from a list of organizations that are in the data base. That would allow for a customized norm from a comparison group that best fits a company's specific needs. Some data base keepers require that at least three companies be included in a custom norm in order to protect confidentiality.

Options for benchmarking

Employee surveys can be a powerful tool as a focal point for communicat-

ing and gauging progress toward attaining a corporate vision. The survey process and content obviously must be consistent with the culture you are trying to create or maintain.

Here are some options for using such a process, in order of desirability.

Use yourself as your primary benchmark. The best comparison is to yourself. If you can design a survey around your vision, mission, values, and goals, you can use it to measure your progress. Use the survey to communicate your agenda for success. Emphasize continuous improvement, with a focus on those areas in which the largest gaps exist between what you are and what you want to be.

Creating your own benchmark also gives you the flexibility to make the survey yours. You will have complete control over the items and response scales and the quality of the data. You will also avoid being affected by decisions you cannot control.

Create a consortium. You may still want some basis for comparison, particularly if this is the first survey your organization has done or if you have changed the survey content significantly. One attractive option is to recruit selected organizations into a data-sharing consortium. This will give you some flexibility in choosing the comparison group and the issues to be addressed.

It is probably best to enlist the aid of a consultant if you go this route. Creating a consortium with a common understanding of commitments

and resources is a difficult task. Ideally, a good consortium would exist indefinitely, so take great care in selecting members and getting strong commitments from them.

Find a good normative data base. Try to find a high-quality provider of attitude survey norms.

If you have an ongoing survey program, you can look into joining the Mayflower Group, a consortium of major U.S. companies that have been sharing norms for decades. The membership requirements for Mayflower are stringent, but the group takes great care to address many of the typical concerns about creating a high-quality data base.

Other providers of norms who claim to have good data bases should be willing to disclose enough information to allow you to make informed decisions as to whether the data will be useful to your organization on a long-term basis.

Get management participation in using the results of your survey. When managers participate in every phase of the process, they develop a sense of ownership and accountability. Give them the information they need to make informed decisions on examining normative data bases and selecting the options that will work best for the company. ■

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