



THE 10 DEADLY SINS OF SURVEY BENCHMARKING

Employers want to know what their employees are thinking and feeling, and they often conduct employee surveys to find out. But they also want to know how they're doing relative to other employers. Hence, the need for survey benchmarks.

No doubt, benchmarks are a valuable source of contextual information. But they're not without limitations, and should never be solely relied upon for decision-making. Following are 10 deadly sins of survey benchmarking and some remedial best practices.

1. Bad questions, bad benchmarks. Benchmarks should be based on survey questions that are psychometrically sound. If the questions don't measure anything very well, then the associated benchmarks are meaningless. Ask your survey vendor about the reliability and validity of their questions (i.e., get the technical manual).

2. Aiming for mediocrity. Benchmarks are often computed from both high and low performing organizations. Focusing on these can lead to average performance as an end goal for your organization. Ask for benchmarks that are trimmed of lower performing organizations. This gives you something challenging to shoot for.

3. Assuming the industry is the industry. You wish to be benchmarked against your industry. However, your vendor's sample may be unrepresentative and consist only of clients that they've done business with in your industry. This can lead to invalid comparisons, and perhaps, identifying the wrong priorities.

4. Comparing apples to oranges. Organizations differ widely in terms of design, maturity, size, employee characteristics and culture, even *within* industries. This can lead to a great deal of variance around the average. The more variance, the

less meaningful the benchmark. Work with your survey vendor to select a subset of relevant organizations to derive more relevant benchmarks.

5. Aging benchmarks like wine and cheese. Benchmarks are sometimes computed from many years of survey data, which makes them moving targets in a sea of hidden trends. This is not remedied by simply adding more years, especially when past trends were significant. Ask your vendor how old the oldest data are, and how many years are represented.

6. Trying to improve something that's unimportant. Benchmarks can lead to misplaced priorities. For example, pay is often one of the lowest-ranked issues in organizations. Yet, pay doesn't move the meter very much on key employee attitudes and behaviour. If you focus on pay in your post-survey follow through, you may be throwing resources at a weak driver.

7. Getting hung up on single metrics. All metrics are somewhat arbitrary. A 7.1 out of 10 on employee recognition does not correspond to any specific amount of recognition in your organization. Rather than lose sleep over your 7.1 (when the benchmark is 7.3), focus on your lowest-rated dimensions and use other survey questions to find out what may be driving those issues (e.g., correlation, regression).

8. Assuming that everything in the survey is important. Some organizations try to meet the benchmarks for all areas of the survey. However, they're not all important. Find the survey questions that were linked to key outcomes in your own organization's data. Specifically, look for survey questions with both 1) low ratings, and 2) high correlations



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with (for example) engagement, commitment, and stay intentions. Trying to meet external benchmarks on things without knowing their impact on your workforce could lead to changes that are actually *harmful* your organization.

9. Focusing on benchmarks instead of excellence. Meeting benchmarks can make an organization complacent. As long as you got a D+ on employee benefits, like everyone else, it's back to business, right? What would be more courageous is trying to exceed benchmarks and become the best in your industry. A low

benchmark is an opportunity for competitive advantage.

10. You don't know what you don't know. So you've met or exceeded most of the benchmarks. But what if your vendor's survey didn't measure the things that are known to have the *strongest* impacts on employee outcomes? This is a blindspot. Ask your vendor for published, peer-reviewed research on the work characteristics that they measure to ensure that their benchmarks are based on the right things.

11. [Bonus!] Comparing yourself to only your industry. What happens if you don't meet your industry's benchmarks? If you're concerned about attracting or losing talent, bear in mind that a good deal of worker mobility occurs between industries. Good accounting and IT staff, for example, can move almost anywhere. Therefore, you should also consider benchmarks that are derived from all industries. You never know where your future talent will come from.

One more word of advice. Ask your vendor to provide more than just your organization's averages, percentages and gaps against benchmarks. These can tell you the 'what', but not the 'why' of what's going on in your organization (i.e., what's driving what). Other analytics are helpful for answering these kinds of questions. **HR**

Paul Fairlie, an organizational psychologist, helps employers to create meaningful and effective workplaces (www.paulfairlieconsulting.com). He currently has survey benchmarks based on 50 U.S. states and 20 industry codes, and strongly advises you not to use them.

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Toronto, ON M5H 3M7
Tel: 416.642.2044
Fax: 416.642.2045