

WHY 5 POINT SCALES DON'T WORK

**(and other problems with
employee surveys)**

By Mark Murphy, CEO of Leadership IQ

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Employee surveys are powerful tools for understanding where you are on your 100% journey (including what level of Challenge and Connection employees are currently experiencing). This is critical information to have when creating a roadmap that will lead to a Hundred Percenter workforce.

However, there is an element of danger to employee surveys to which many leaders remain unaware. Because employee surveys have such powerful potential, if they're designed or implemented incorrectly, their power can turn destructive. When this happens, it sends leaders and employees spiraling backwards on the path to 100%.

In this section, I'm going to offer some of the best practice discoveries my team of researchers and I have made over the past two decades about how to conduct employee surveys so they guarantee positive and useful results. And yes, we do use all of these techniques in our own Hundred-Percenter Index.

Discovery #1: 5 Point Scales Don't Work

5-point scale types are what you most commonly find in employee surveys (think of a Likert-type scale ranging from Strongly Disagree to Strongly Agree). In fact, these scales are so commonplace, and they've been around for so long, that I have even used them in our employee surveys (albeit many years ago). In many situations, 5-point scales are just fine, and psychological and sociological researchers use them to great effect. However, in the world of employee surveys, the 5-point scale has a fatal flaw.

5-point scales were designed for situations where the data has a reasonable chance of being normally distributed; where there are decent odds that as many people will score 1's as they do 5's. If you asked 1,000 random people to rate the statement, "Orange is a more fashionable color than green," you're going to get a wide variety of responses. Some people hate orange while others love it. The same goes for green. And then there are the folks who feel so-so about both colors. You could ask any number of questions and get a similarly-wide spread of responses (e.g. The Yankees are the best baseball team, The best condiment for hot dogs is mustard, Red is a good color for cars, I feel happy today, etc.). In all these situations, a 5-point scale works just fine because the responses will be so varied.

But inside an organization, the 5-point scale loses its effectiveness. Inside organizations, 5-point survey results tend to be skewed and have less variability than the population at large. In other words, you won't get nearly as many 1's as 5's.

If you ask a group of employees at ACME Inc. to rate the statement, "ACME is a good place to work," you're not going to get very many low responses (i.e. 1's and 2's). That's because if you truly thought ACME was an awful place to work, you probably would have quit already. By virtue of being an employee at ACME, you're de facto saying, "Well, it can't really be all that bad because I keep showing up." (Of course, some employees truly dislike your organization, but not enough to give you a normal distribution of data).

When you survey people who have de facto said the company is decent (judging by the fact that they show up every day), your survey results will be skewed towards Strongly Agree, and there won't be much variability in the responses. In the majority of the 5-point employee surveys we've seen, there really isn't a 5-point scale; it's more like a 3-point scale. Can you

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About Leadership IQ

Leadership IQ provides employee surveys, leadership training and e-learning to business and nonprofit organizations worldwide. Leadership IQ's groundbreaking management techniques and employee survey research have been featured in *Fortune*, *Forbes*, *BusinessWeek*, and numerous industry journals. Leadership IQ is headquartered in Atlanta, GA with regional offices in Chicago, IL, New York, NY, Washington, D.C., and Shanghai, China.

Leadership IQ

400 Galleria Parkway, Suite 1500
Atlanta, GA 30339
800.814.7859
info@leadershipiq.com

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really say you're using a 1-to-5 point scale if all the responses come out 3, 4 or 5? (Test this yourself: Make your survey company run a histogram of the responses on every single question, and see how badly skewed your data is. For you statistics nuts, you can also ask them to calculate Skewness and Kurtosis).

Nobody in their right mind is going to use a 3-point scale for an employee survey. It would essentially limit the choices to: "Everything's Bad," "Everything's Great," or "It's So-So." And in the real world, things aren't quite so black-and-white. There's a notable difference between the grades A and a B, or between an A and a B+, or even an A and an A-. If you're comfortable grading your organization on Pass/Fail, which is kind of what you're doing when you get this very low spread of data, then go for it. But when an employee quits, it's probably not for an "everything's bad" reason; like the manager is the Devil incarnate, none of the computers work, and all my coworkers are low performing losers. It's likely to be a bit more subtle than that; something the data results of a 5-point scale won't even begin to reveal.

If your employees aren't giving 100%, wouldn't you like to know just how far away they are from 100%? Do you really want to limit yourself to, "It's 100% or nothing?" When I've held the position of CEO, I always wanted to know just how far away from 100 % we really were. That's what told me how many resources to mobilize and what specific actions to take. There's a big difference between missing your sales targets by 1% and missing them by 50%. With a 5-point scale (which de facto becomes a 3 point scale), you'll never know which it is; you'll only know you missed your target.

This isn't the only bad news about 5-point scales. When you conduct employee surveys every year (or two), ceiling effects and restriction of range inhibit your ability to track your progress. Employee surveys often assess very subtle issues, and the interventions that follow often make numerically small, but very significant, changes. But if you're only getting 3 different responses, how do see progress? Can you really assess your changes if your scale doesn't distinguish between decent, good and great?

The easy resolve is a 7-point scale, which will accurately assess your employees. And for reasons of question design, I suggest making your scale range from Never to Always (instead of Strongly Disagree to Strongly Agree). Now, it's true that because you're assessing a biased pool of respondents, you will still see some skewing on a 7-point scale (you won't get lots of 1's and 2's). In fact, what you'll end up with is basically a 5-point scale.

To reiterate: if you start with a 5 point scale, you basically end up with a 3-point scale (because you lose the 1's and 2's). If you start with a 7-point scale, you basically end up with a 5-point scale (because again, you lose the 1's and 2's). Here's the bottom line: The respondent pool for employee surveys is positively biased. So when you give yourself a broader survey scale, your results more accurately capture the full range of true responses.

You may be tempted to ask, "If 7 points are better than 5, why not use a 10-point scale, it's even broader?" 10-point scales have 2 significant flaws. First, there's no middle point on a 10 point scale. Just look at it; how do you give a score that is exactly equidistant between the highest and lowest scores (there's no 5.5 on your survey scale). A properly designed survey scale needs a middle point.

The second problem is that 10-point scales often have more skewing than 7-point scales because we're mentally locked into a grade-based framework (from our years in school) where 10 is an A+, 9 is an A, 8 is a B, 7 is a C, and 6 and below are failing. Given our historical relationship with grades, survey respondents are often hesitant to give a score of 5 or below (because that's failing so badly that even our teachers in school were hesitant to use scores that low).

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Our employee survey, the Hundred-Percenter Index, uses a 7-point scale. And, when we've taken over from other survey companies (many businesses change survey companies every few years) we've found significantly greater spread with our 7-point scale. It all adds up to much smarter decision making, and far more accurate tracking of progress.

Discovery #2: Don't Ask Questions You Can't Fix

Here's the big lesson: Every survey question you ask implies a promise that you're going to do something positive with the answer you get. So if you don't know exactly what actions will fix a situation, don't ask a question about it until you do. Otherwise, you're setting the stage for employees to doubt your leadership capabilities: "Gee, the boss asked how we felt about X, we all said lousy, and then he did nothing about it..."

Surveys commonly ask questions about whether employees have friends at work and whether they trust their boss. Let's say you get low scores on those questions. Obviously, now you need to do something about it. Let's start with the trust issue. Do you know specifically what causes the typical employee to trust the boss? How about what specifically causes your unique employees to trust the boss? And what steps have you taken to validate these issues?

We conducted one of the largest studies ever on just this topic: what makes employees trust their boss (hint: it's NOT being honest and truthful). We discovered that the extent to which leaders respond constructively to employees who bring them work-related problems is the biggest driver of employee trust. This factor ranked significantly higher than whether or not the employees saw the boss as honest and truthful. And yet, there are a lot of organizations teaching managers to engender greater trust by being more honest, while other organizations are teaching managers to be more transparent in order to gain employee trust. What is the guaranteed solution to the problem? You won't find an answer by asking a question like, "Do you trust your boss?"

Similarly, low scores on a question that asks if employees have a good friend at work don't teach you exactly what steps you need to take to fix the issue. Social networking MIGHT improve friendships, but so might more teamwork or less teamwork, or spending more time together or less time together, etc. The solution might depend on your unique culture. Bottom line, if you really want to know what's going to work for your folks, you've got to ask about those solutions specifically.

It should also be noted that factors like friendships and trust are means to an end; they are not the end themselves. The "end" is to get employees to willingly and passionately give 100% and to recruit people to come to the company and do the same. Maybe having friends at work is causally related to that, maybe it's not. Maybe trust is causally related to that, maybe it's not. Maybe open communication, doing interesting work, having good life balance, being autonomous or being in great teams are all related, but maybe they're not. The trick is to figure out what's truly related and ask about it in a way that gives you information about the specific actions you need to take.

On the Hundred-Percenter Index, every question asked includes a clear path of action. So if you discover an area you need to fix, you'll immediately know what needs to be done. We'll never ask employees if they trust their boss. However, we will ask if the boss responds constructively when presented with work-related problems. We'll also never ask employees if they have a good friend at work. However, we will ask if the employee can successfully deliver constructive feedback to their coworkers.

The Hundred-Percenter Index has the solutions built right in, but the same cannot be said of most employee survey questions. To judge how effective your current employee survey really is, take a good look at every question on the survey, and ask yourself, "Do I know

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exactly what actions will fix this issue?" It's not good enough to be able to guess what might work; you have to know with complete certainty what you will do. If you don't have a definitive answer, the survey question has no value and needs to be dropped.

Discovery #3: Train Your Managers How to Take Action

As a follow up to Discovery #2, it's also important to conduct employee surveys only if you're prepared to give your managers the specific tools needed to correct the issues identified. My research has found it takes a minimum of 2 solid days of training to equip managers with enough skills to do the job effectively.

If your survey discovers that employees find performance feedback is weak, you need to teach managers how to deliver robust feedback. If your survey discovers that employees don't fully understand the goals set by their manager, you need to teach managers how to clearly set and communicate goals. If your survey discovers that employees don't think their manager holds low performers accountable, you need to teach managers how to hold low performers accountable. And so on.

I've seen more organizations than I care to count that conduct surveys without giving their managers all the specific skills and tools they need to implement the changes. The result is frustrated managers and irritated employees. The reality is; if managers were ready to make all the necessary changes without any further training, they would have done it already. Giving your managers employee survey data without the right management training is the equivalent of sending someone to work in the ER of a hospital without medical training. (And that's why I won't take on a new survey client unless the client is prepared to give managers some training following the survey).

Discovery #4: 10 Questions Is Not Enough

It doesn't matter whether you ask 9 questions on your survey or 10 or 12 or 14 questions. None of these numbers is likely to be big enough to help you figure out exactly what makes your unique group of employees tick.

I've run hundreds of regression analyses from similarly-sized organizations that show that one group of employees is usually driven by radically-different issues than another. For instance, a nurse in a small community hospital in Alabama is likely to have different motivational drivers than a stock trader on Wall Street, or a government employee, or a soldier in Iraq, or a Gen Y programmer in Silicon Valley. Just as a commissioned salesperson will have different motivational drivers than a Civil Service employee. Each of these folks made radically different career choices, and they all have radically different work schedules, workloads, compensation packages, missions, level of job risk, etc. So while some of these folks might do their job just fine without a best friend sitting next to them, others might be more motivated by taking on risky projects, or when given greater security and predictability.

It takes 25-30 questions to really figure out what motivates your unique group of employees. Sure, it's fun and easy to ask 12 questions (and you might save 5 minutes on your survey). But who cares if it's fast if the data you get completely misses the mark on the issues you need to know about? If you go to the doctor and he takes an extra 5 minutes to do a really thorough diagnosis, are you going to be annoyed? Probably not. I mean, you took the time to drive there and get undressed, you might as well take a little extra time to get a medically-accurate diagnosis. It's no different with employee surveys.

Discovery #5: Don't Aim for Mediocrity

Throughout this book, I've made the case that the key to success is tapping the unrealized Hundred Percenter potential of your employees. That by pushing people beyond their self-imposed limitations, you can help them achieve truly great results and a depth of fulfillment previously unknown. And yet, almost every employee survey in the world asks some version of the question, "Overall, I am satisfied with company ABC." The only thing that will remain untapped in that question is the information you need, but won't get.

Let's imagine you score a perfect 7 out of 7 on this question (or even 5 out of 5 on your current survey). What does that really tell you? It says, "Absolutely, I am satisfied." It does NOT say, "I will drip blood, sweat and tears to achieve this extraordinary goal in order to feel the addictive swell of pride and achievement." It can't say that because you only asked if people felt satisfied. And being satisfied is a mediocre feeling when compared with the life-altering fulfillment that comes from giving 100%.

If I take my wife out for dinner, and the manager comes by to ask if I'm satisfied, I could easily say, "Yes," and still never return to that restaurant. We have young kids, and our dinners out don't happen 3 nights a week (we'll get there again, but not right now), so we try to make our dates really special. I'll be satisfied if the food and service are good, but if I only have 2 dates with my wife next month, I want our dinner to be more than satisfactory—I want it to be extraordinary. That's my expectation. But the restaurant manager didn't ask me if dinner was extraordinary, he only asked if it was satisfactory. I said yes because my food was delivered accurately and efficiently, but that doesn't tell the manager I won't be coming back again, or why. He only knows his staff didn't mess things up so horribly that I might ask for a refund. If he had asked me if I was "blown away," he'd have gotten a very different answer; one that would actually give him valuable feedback.

When you ask employees if they're satisfied, you're only asking whether things are so messed up that they might go running for the exits. You still have no idea if they might leave you for a different company that's aiming for greatness. All you know is that things aren't awful; they're satisfied. If you want to know if they are deeply fulfilled and committed to giving 100% to achieve your goals, you have to ask.

This book is about how to take your employees from ordinary to extraordinary. Asking survey questions that inquire whether you're 100% maxed out on making folks ordinary doesn't serve that purpose. Why not ask your people how you're doing on making them extraordinary? (Visit www.markandrewmurphy.com to see some of the Hundred Percenter questions we recommend asking).

Discovery #6: You've Got 28 Days

The results of your employee survey have an expiration date, and it's about 28 days from the ending of data collection. Too many companies complete the data collection piece and then wait 3, 4 or even 5 months to get their data back. That's simply too long. Employees took time out to sit down and give you some honest feedback, and they expect to know the results. When we sit on their responses for months on end, we may as well be saying, "Thanks for participating. Now we're going to do whatever we're going to do, and if we ever feel like telling you what that is, you'll be towards the bottom of the list of the people we tell." (That doesn't do anything for the morale you were trying to improve via the employee survey).

When you ask people to exert effort to take the survey, the least you can do is honor that effort and give them back some data. You don't have to have every single regression run and every departmental data set completed, but you must let folks know the initial report/analysis has been received and that there's a schedule for meetings where every employee can see

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or hear the results. If you wait 3, 4 or 5 months to do this, people will either get irritated, or they'll forget they even participated in taking the survey. And if they forget, they will have chalked it up to another one of the failed "flavor of the month" initiatives the organization always tries, and your leaders' credibility will be seriously hurt.

If you conduct an employee survey, spend as much (or more) effort on distributing and acting on the data as you did on collecting the data. And by the way, don't ever let your survey provider tell you it takes months to process the data; it doesn't (unless you're at the bottom of their priority list). ¹⁰

For more information on asking the questions that will help you prioritize your leadership actions or if you'd some assistance tuning your hiring and employee engagement practices to your organization's objectives, please contact us at info@leadershipiq.com or by calling 1-800-814-7859.

You'll find additional resources and learn how to access informative training programs by visiting www.leadershipiq.com.



About Mark Murphy, author of *Hiring for Attitude* and CEO of Leadership IQ

Mark Murphy is the founder and CEO of Leadership IQ. An expert in aligning goals and people to create healthy organizational change, Mark leads one of the world's largest studies on goal-setting and leadership, and his groundbreaking research has been featured in *Fortune*, *Forbes*, *Businessweek*, *U.S. News & World Report*, the *Washington Post*, and hundreds more periodicals. Mark has appeared on *CBS News Sunday Morning*, ABC's *20/20*, *Fox Business News*, and other top broadcasts.

Mark has lectured at the Harvard Business School, Yale University, the University of Rochester, and the University of Florida. And his clients include Microsoft, IBM, MasterCard, Merck, MD Anderson Cancer Center, FirstEnergy, Volkswagen and Johns Hopkins.

Author of the new book *Hiring for Attitude* (McGraw-Hill; Dec. 9, 2011), Mark has also written the international bestseller *Hundred Percenters: Challenge Your People to Give It Their All and They'll Give You Even More*, as well as *Hard Goals*, *The Deadly Sins of Employee Retention*, and *Generation Y and the New Rules of Management*.

Among his many honors, Mark was a three-time nominee for Modern Healthcare's "Most Powerful People in Healthcare Award," joining a list of 300 luminaries including Hillary Clinton and Bill Frist — among only 15 consultants ever to be nominated to this list. He was also awarded the prestigious Healthcare Financial Management Association's "Helen Yerger Award for Best Research" for being the first person to discover the link between patient mortality rates and hospital finances. Some of his other well-known research studies include "Are SMART Goals Dumb?" "Why CEO's Get Fired," "Why New Hires Fail" and "Don't Expect Layoff Survivors to Be Grateful."

Previously, Mark was President of a joint venture with Mercer Human Resources Consulting. Prior to that he was a partner in the management consulting subsidiary of VHA, Inc., the world's largest healthcare consortium. He holds degrees from the University of Buffalo, executive coursework at The Wharton School and an MBA from the University of Rochester. He lives in Atlanta and Washington, DC.