



Professional Services Benchmark Report 2016



Introduction

We're thrilled to present our first people analytics benchmark report for Professional Services companies. Whilst Culture Amp is perhaps best-known for our work with some of the world's fastest-growing New Technology companies like Airbnb, Slack, Etsy, Eventbrite, Pinterest and Warby Parker, we have, over the past four years, had the opportunity to work with leading Professional Services companies.

To give us better industry-related insight we compared the cultures within Professional Services and New Technology companies and found that whilst there are similarities, there are subtle differences in what motivates employees and significant differences in how engaged employees are with the companies they work for. As the two industries compete for talent, we anticipate understanding, and taking action on, these gaps will become increasingly important.

Understanding drivers of employee engagement across your industry, and how your industry compares to leaders in New Technology companies can help you understand where your company is tracking against some of your newest and boldest competitors for talent.

A finding we see confirmed over and over again in individual client work is that the factors influencing engagement and retention can differ greatly from workplace to workplace. Individual research to gather data about your workforce is essential, and the benchmarks presented in this report can provide valuable context. Aggregated and anonymized data can also reveal some interesting overall industry trends, as you'll see in our first *Professional Services Benchmark Report 2016*.

We hope the report is of use to you and your company. If our team at Culture Amp can be of assistance, please get in touch.



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people geek /ˈpiːpəl ɡiːk/
(noun)

A people person typically found in people operations, recruitment or leadership who gets excited about how data and insights can drive workplace culture.

At Culture Amp we've been using the term 'people geek' for many years. To us, people geeks are people who spend their days enabling other people within workplaces.

They might be in people operations, recruitment, talent or the CEO of a fast-growing startup. People geeks also use technology - since we've started Culture Amp more sources, data and analytics have become available. We're here to help you source data, analyze it, and measure the impact of your actions.



The data for this report was sourced from a subset of Culture Amp clients who fit the Professional Services category. All companies provided consent for data to be used anonymously and in return have access to Culture Amp benchmark data.

Trends for 2016

As Professional Services companies evolve and understand the value of engaging people, we've been thrilled to see how leaders use data in decision making. We're seeing companies become more sophisticated in the analysis of the data we provide and an increasing use of surveys and data to identify opportunities for improvement, and measure the success of those improvements.

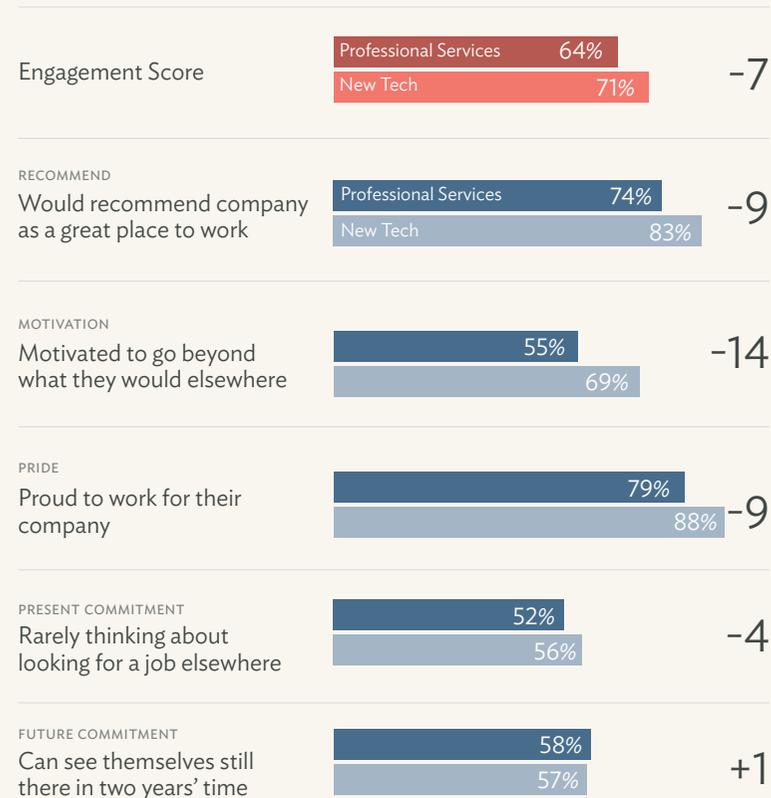
There are five major trends we've seen arise that we anticipate will continue throughout 2016.

1. Companies are responding to results with a sense of urgency. They are taking action to correct or improve results and re-measuring to understand whether they've hit their target.
2. They're designing better surveys and using the results. There's less continuous pulsing and single-question type surveys (e.g. single eNPS surveys) and more surveys tailored to the task - so that the feedback received is used. While getting ongoing feedback can be useful and fun at times, we found in the past that some organizations didn't have time to utilize the insights and that respondents could tire of responding when they were unsure what was happening with the data.
3. Companies are using a mix of different surveys throughout the year and using their results to drive the content of the surveys. A common mix is an annual engagement survey followed by pulse surveys focusing on questions set aside for action and additional questions to understand the topic and feedback on the actions chosen. We're also seeing these pulses coupled with topical survey elements on other initiatives. These approaches help keep the survey programme alive as part of an intelligent conversation with people.
4. We're also seeing a welcome rise in companies providing creative ways in which their people can become part of providing input and ideas for responding to the survey results. These companies view surveys as just a part of the way that the organization uses feedback to learn. They see working and experimenting together to utilize feedback is itself a meaningful and positive experience for the organization.
5. The final trend, mentioned last year also, is companies looking to understand the relationship between survey data and other workforce data such as retention, performance ratings, training attendance, customer satisfaction and sales.

Engagement Scores

We use five key questions to provide an overall score indicating how engaged employees are with the company they work for. Engagement levels can vary significantly from company to company, however we often see a distinct profile from industry to industry in the way each of the five questions is answered. Comparing Professional Services companies with New Technology companies, we can see that the stand-out difference is in motivation. Employees at New Technology companies are 14% more motivated to go beyond what they would in a similar role elsewhere. It's worth considering whether New Technology companies are doing something that Professional Services companies aren't to motivate employees, whether this is a trait of the type of people who work in either type of company, or if there is something else at play.

ENGAGEMENT SCORES



Engagement Score

There are a few different ways that engagement and other survey scores are commonly calculated and presented. This can cause a great deal of confusion when we are making comparisons between results from different sources. At Culture Amp we recommend using simple and transparent methods so scores can be readily understood and replicated. We ask questions using a five point scale and the top two responses represent agreement and strong agreement. The scores simply represent the percentage of people who have agreed or strongly agreed on average.

Key Drivers of Engagement and Commitment

RANK	QUESTION	FACTOR	SCORE	GAP
1	Feel company is great place for their development	LEARNING AND DEVELOPMENT		-6
2	Believe there are good career opportunities for them there	LEARNING AND DEVELOPMENT		-8
3	Have confidence in the leaders	LEADERSHIP		-9
4	See leaders who demonstrate that people are important to the company's success	LEADERSHIP		-8
5	Leaders have communicated a vision that motivates them	LEADERSHIP		-10
6	Are happy with their current role relative to what was described to them	LEARNING AND DEVELOPMENT		+3
7	Believe the company is in a position to succeed over the next three years	IMPACT AND HONESTY		-13
8	Believe the company allows them to make a positive difference	IMPACT AND HONESTY		-6
9	Feel the company effectively directs resources (funding, people and effort) towards company goals	IMPACT AND HONESTY		+2
10	Experience open and honest two-way communication	IMPACT AND HONESTY		-11

Driver Analysis

Driver analysis is a family of statistical techniques used to determine how strongly variables are related to each other. At Culture Amp, each individual's responses (to each question) are statistically compared with how they respond to engagement questions to determine which questions are most strongly related to overall engagement. Importantly, the things a company does very well, or not very well, are not necessarily the things that determine how engaged employees are. We do not just focus on the high or low scoring questions unless they are also strong drivers of engagement. Using these insights, companies can focus on improving scores that will improve engagement.

Key Drivers of Engagement and Commitment

We encourage people geeks to group the strongest drivers of engagement in their companies, rather than focusing exclusively on the top drivers. This is because, regardless of ranking, any of these factors can drastically increase or decrease engagement levels in a company - people are complex. With our relative dataset we were able to apply statistical techniques to identify three themes: Learning and Development, Leadership and Impact and Honesty.

The top ten key drivers of engagement are very similar across Professional Services and New Technology companies. New Technology companies outperformed Professional Services companies on eight of ten drivers.

LEARNING AND DEVELOPMENT

Learning and Development opportunities are flagged as vital in engaging people in every industry we work with. Importantly, although one of the questions refers to career opportunities within the company (position 2), the other two questions (1 and 6) don't necessarily simply involve 'promotion'. Providing an environment where people can develop their skills and managing expectations of job scopes can help increase employee engagement in these areas.

LEADERSHIP

Whilst it's often reported in media that an employee's direct manager has significant impact on their job satisfaction, our analysis consistently reflects that other drivers have more influence. How high-level leaders perform — in shaping and guiding a company's vision and mission — is often more important than the performance of the leaders people report to. Employees want leaders they trust and have confidence in (3) and who can provide a

vision that people believe in and are motivated by (5). However, in doing these things leaders must also make sure they take people with them and understand their importance and role in achieving success (4). New Technology companies, even those with 1,000+ employees outperform Professional Services on leadership scores. Whilst this may be due to the youth of the companies and the momentum caused by their rapid growth and innovation, it's worth considering what New Technology companies are doing well that would translate to improve leadership of Professional Services companies.

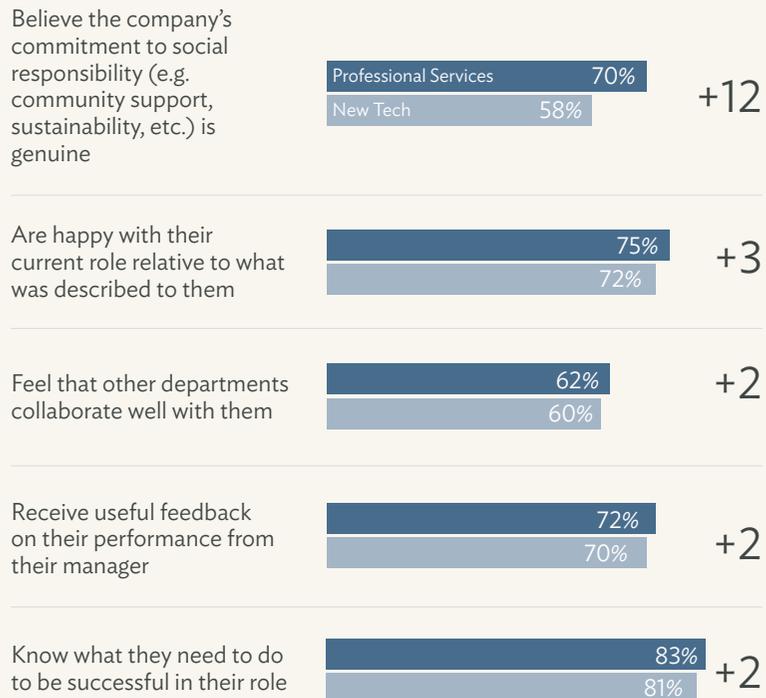
IMPACT AND HONESTY

The four Impact and Honesty questions which feature strongly in the data illustrate that satisfying the needs of employees to feel that they are having an impact (7, 8 and 9) and being communicated with honestly (10) are likely to be a top priority for people and companies going forward. It's worth considering whether people within Professional Services companies are as aware of company growth goals as those within New Technology companies, where 100+% annual revenue and employee count growth is common. In both types of companies, these factors are key drivers of engagement. We have seen 'internal startups' appear at some large Professional Services companies. In future we may see other facets of New Technology company culture incorporated into culture at Professional Services companies to improve engagement scores in Impact and Honesty.

Comparing Cultures at Professional Services and New Technology Companies

When looking at where Professional Services companies are performing better than New Technology companies, the stand-out gap is in people's perception of the integrity of their company's social responsibility commitments. People working in Professional Services companies are 12% more likely to say the company's commitment to social responsibility is genuine than people working in New Technology companies. This could be influenced by social responsibility performance, internal communications or different expectations of Professional Services and New Technology employees. Professional Services companies also performed slightly better (2 - 3%) than New Technology companies on scores related to people's satisfaction with their role being as described, collaboration with other departments, receiving feedback and knowing what they need to do to be successful in their role.

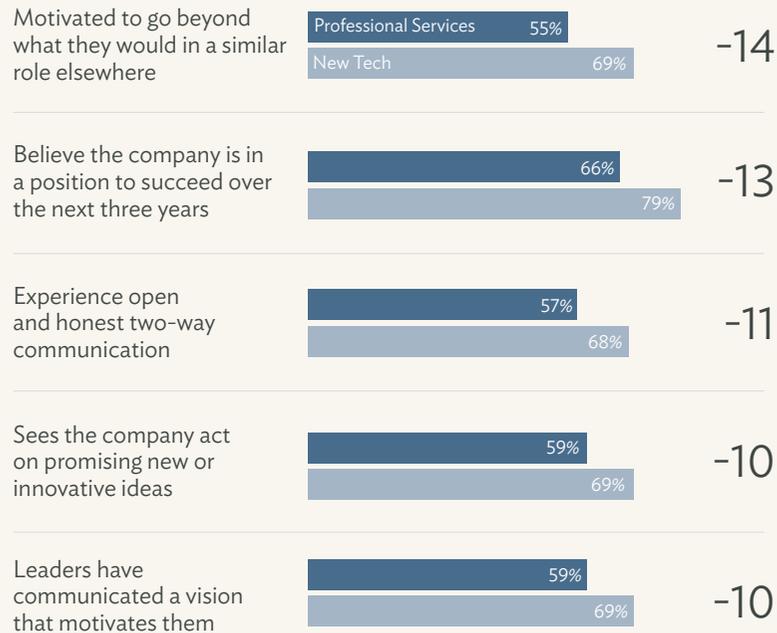
WHERE PROFESSIONAL SERVICES COMPANIES PERFORMED BETTER THAN NEW TECHNOLOGY COMPANIES



Comparing Cultures at Professional Services and New Technology Companies

Where New Technology companies performed better than Professional Services companies, we saw greater gaps (10 - 14%) overall in the top five. People in New Technology companies were 14% more likely to say their company motivated them to go beyond what they would in a similar role elsewhere. Understanding how to increase this score could have high impact for productivity in Professional Services organizations. Questions around success, communication, vision and innovation also revealed a momentum in New Technology companies which is less present in Professional Services companies.

WHERE NEW TECHNOLOGY COMPANIES PERFORMED BETTER THAN PROFESSIONAL SERVICES COMPANIES



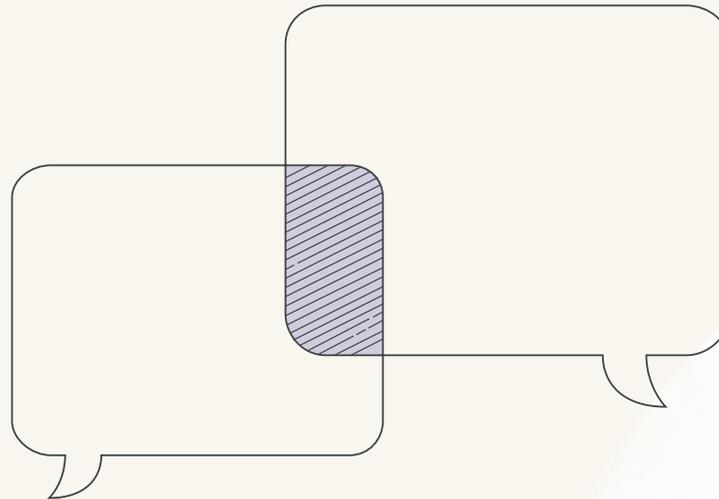
Analyzing Text Responses

The Culture Amp platform allows people to make comments on survey questions and respond to free text questions. Our two most commonly used open text questions are: “Are there some things we are doing great here?” and “Are there some things we are not doing so great here?”.

We use statistical clustering techniques to analyze open comments into common thematic clusters and frequently-used word combinations. However, to provide proper context for comments we always link these to quantitative survey data so that we can more fully understand the context of the group of people who are commenting - this is where text analytics becomes a powerful addition to survey data. We can more fully understand the likely sentiment and associated feelings behind comments and in some cases, gather solutions to problems or understand what type of further research would be helpful.

Longer comments are an indication of an employee expressing a view or highlighting an issue they are critical about. For the question asking what people thought was great about their company, people who made a longer comment had the highest positive difference for “I see myself still working at the company in two years time” and the highest negative difference for “the products and services the company provides are as good as, or better than, our main competitors”, indicating a group of people who are happy with the company but critical of their products and services.

On the question of “what’s not great about the company” people who made a longer comment had negative differences to all the questions. The question “the company effectively directs resources (funding, people and effort) towards company goals” had the largest negative difference. The overall negative scores indicate a group of people who are unhappy about the company and being vocal about it.



About the Companies

Our Professional Services benchmark is made up of data from companies from traditional professional organizations (for example law and accountancy firms) and other organizations requiring a specialized knowledge base (for example business and market research consultancies). Although many use technology in their workplace, they generally don't commit significant resources to technology development. Companies with national and global footprints are included.

NUMBER OF EMPLOYEES

Average no.

~350 **7,000+** people from **20+** companies

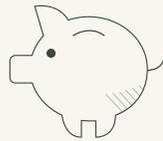
Ranging from

30 to **1,500+** people at each company

Median response rate

80%

INDUSTRIES



FINANCIAL



INSURANCE



LEGAL



PROPERTY



IT



BUSINESS & MANAGEMENT CONSULTING

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We've seen how powerful workplace culture data can be in informing the decisions of some of the world's best leaders.

Data is sourced from a subset of Culture Amp clients who fit the Professional Services description. All companies provided consent for data to be used anonymously and in return have access to Culture Amp benchmark data.

Putting it all Together for Your Company

We hope our *Professional Services Benchmark Report 2016* has given you a basis to consider how your company culture compares to other organizations in your industry. We've certainly enjoyed putting it together and reflecting on the lessons learnt from all of the data collected and analyzed in 2015.

Whilst many lessons can be taken from this data, it's important to note that we are constantly reminded that each company we work with has different data - what is very important to employees at one organization can often be less important to employees at the next. The purpose of Culture Amp is to give people geeks all of the information and insights they need to understand where their company stands, where there are red flags and how the impact of actions taken can be measured.

What we've presented in this benchmark report represents top-level data which can be accessed on the Culture Amp dashboard. Our clients have access to a range of finer grained benchmarks and data to help them contextualize what is happening within their company in greater detail.

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Customers will
never love a
company until
the employees
love it first

@simonsinek

About the Authors

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Jason McPherson is Chief People Geek Scientist at Culture Amp and heads Culture Amp's research and development team. He has a PhD in Psychology and has published scientific papers on survey and assessment methods in the American Psychological Association's journals. Jason has worked with clients all over the world designing measurement approaches, helping them analyze and understand their people intelligence data, and linking this to other business data.

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Dr. Buddhi Jayatilleke is Lead Data Scientist at Culture Amp and heads up Culture Amp's benchmarking and text analytics team. His expertise includes text analytics, information retrieval, enterprise search, e-commerce and cloud/mobile applications. Buddhi's academic involvements include teaching and research fellow positions at RMIT University and Deakin University, Australia and the University of Moratuwa, Sri Lanka. Buddhi has worked with clients all over the world to delve into unstructured but rich text data and link this to other metrics.