



Headcount Adjusted Scores Calculation



**Size Banding Adjusted
Scores**



**Headcount Adjusted
Scores**

Our Methodology Sep 2005 – Aug 2020

Our methodology has always adjusted scores to take into account the influence an organisations headcount can have on engagement levels.

When we commenced measuring organisations for Best Companies Accreditation way back in 2006, we'd already collected and analysed sufficient data to understand that the overall size of an organisation had an influence on the engagement data we were collecting.

We have always been careful to keep organisations of different size bands separate in the Best Companies lists and we understood the importance of allowing for the size banding of an organisation to ensure that overall accreditation was consistent and fair to all.

The size bandings that were used are as follows:

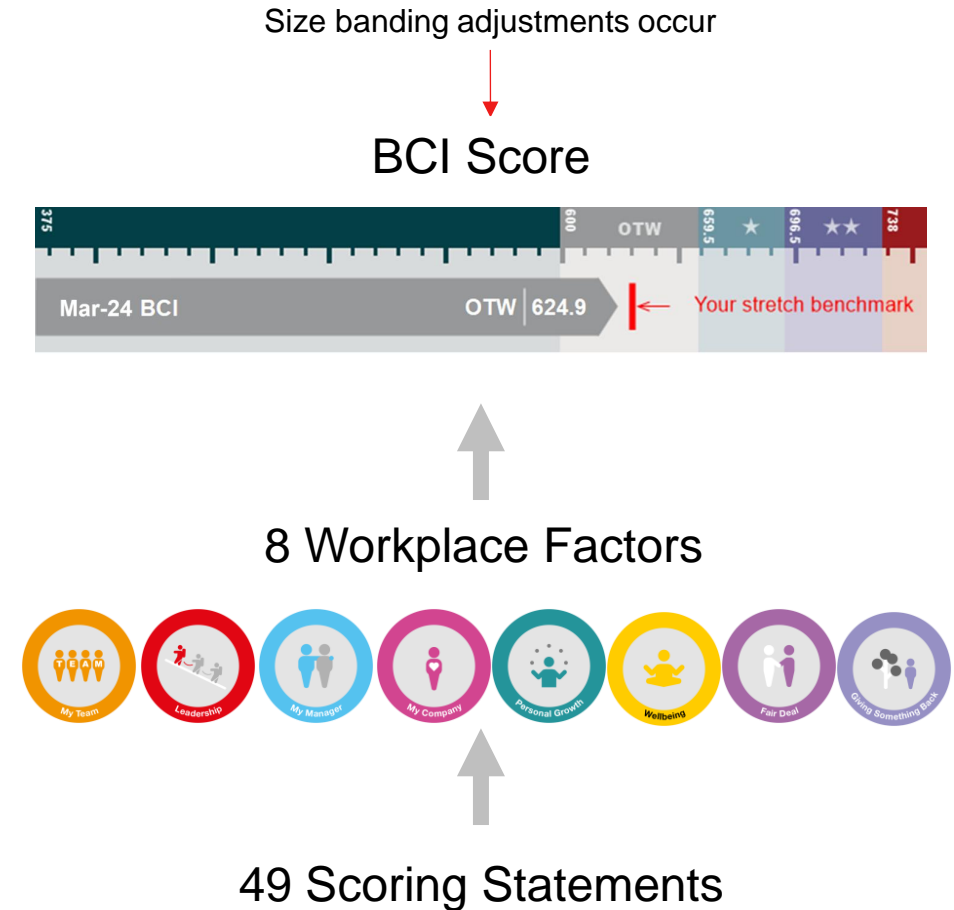
Small Organisations – 25 - 74 employees

Mid Organisations – 75 -199 employees

Large Organisations – 200 -1999 employees

Big Organisations – 2000+ employees

Previously, the adjustment for headcount was made at Best Companies Index score (BCI) level.



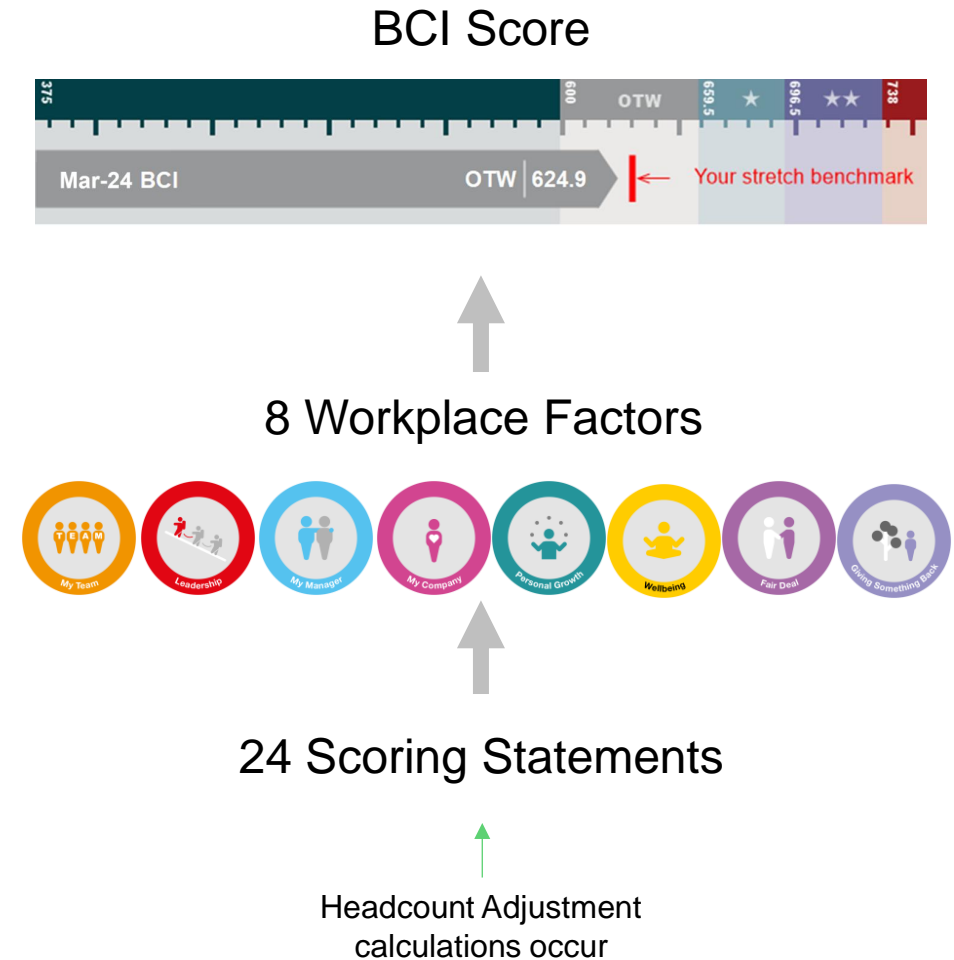
Our Methodology Sep 2020 onwards

We have now surveyed millions more employees across thousands of organisations and have studied in detail how the size of an organisation (as measured by its headcount) affects the responses of its employees to individual survey statements.

With this greater understanding, we have now been able to introduce a new calculation called **'Headcount Adjusted Question Scores'**.

The calculation completely removes any influence an organisations headcount can have on engagement levels, providing the ability to compare all organisations, know matter their headcount, on the same scale.

Contrary to our previous methodology (adjusting at BCI score level), the new methodology applies the calculation at an individual statement and respondent level.



**How will scores
change?**

Headcount Adjusted BCI Score Example

To allow organisations to make accurate year on year comparisons, we have back dated the calculation for all scores achieved between 2017 – 2020*.

As a result, organisations will notice a change in their scores. The example to the right illustrates how a BCI score could change once it is Headcount Adjusted.

Although the example illustrates an increase in BCI score, it is also normal to see a reduction in BCI score once the Headcount Adjusted calculation has been applied.

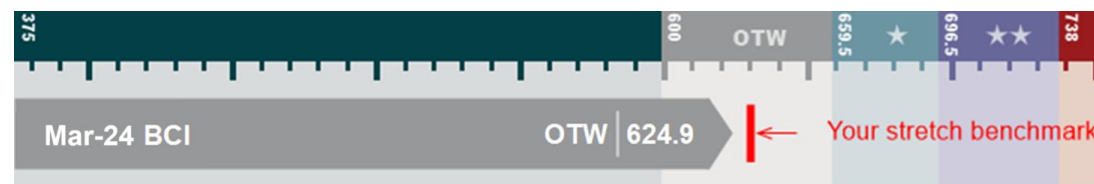
A change in BCI score will occur at both Company level and at an individual Employment Group level.

All BCI scores achieved post September 2020 will only be made available using the new Headcount Adjusted calculation.

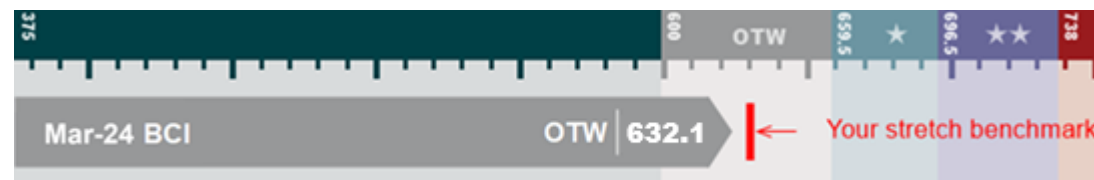
*Organisations will be able to access BCI scores calculated using the old methodology for surveys undertaken prior to September 2020. This data can be accessed via the 'Preferences' section within the Workplace Insight Tool.

Overall Company Example

Previous: Size Banding (SB) Adjusted BCI Score



New: Headcount Adjusted (HA) BCI Score



Headcount Adjusted Statement Score Example

As well as BCI scores changing following the introduction of the new methodology, statement level scores may also change. This is because the new methodology applies the calculation at both respondent and statement level.

During our research we found that certain statements were more sensitive to changes in headcount than others, the table below illustrates the two statements that are most sensitive to headcount, along with an example of how an organisations scores may change following the introduction of the new Headcount Adjusted calculation.

Although the example illustrates an increase in statement level score, it is normal to see a reduction in statement level scores once the Headcount Adjusted calculation has been applied. A change in statement level scores will occur at both Company level and at an individual Employment Group level.

All scores achieved post September 2020 will only be made available using the new Headcount Adjusted calculation*.

*Organisations will be able to access scores calculated using the old methodology for surveys undertaken prior to September 2020. This data can be accessed via the 'Preferences' section within Workplace Insight.

Statement	Company Overall Example		
	Mean Score (SB Adjusted)	Mean Score (HCA Adjusted)	Percentage Difference
I believe I can make a valuable contribution to the success of this organisation	5.9	6.2	+5
Senior Managers here are visible and approachable	4.44	5.17	+12

Headcount Adjusted Statement Score Example

Although the mean score (average score) at statement level is likely to change following the introduction of the Headcount Adjusted calculation, it is important to note that response patterns will not change.

The example heatmaps to the right illustrate how the same statement pre- and post- Headcount Adjustment still has the same response pattern.

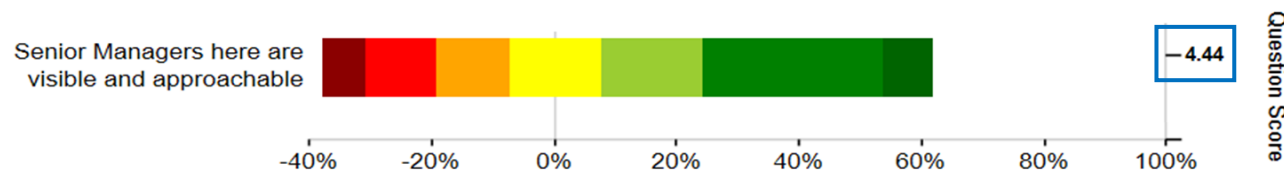
The Headcount Adjustment calculation is introduced once the scores are turned into a mean score.

Although the example illustrates an increase in statement level mean score, it is also normal to see a reduction in a statement level score once the Headcount Adjusted calculation has been applied. A change in statement level scores will occur at both Company level and at an individual Employment Group level.

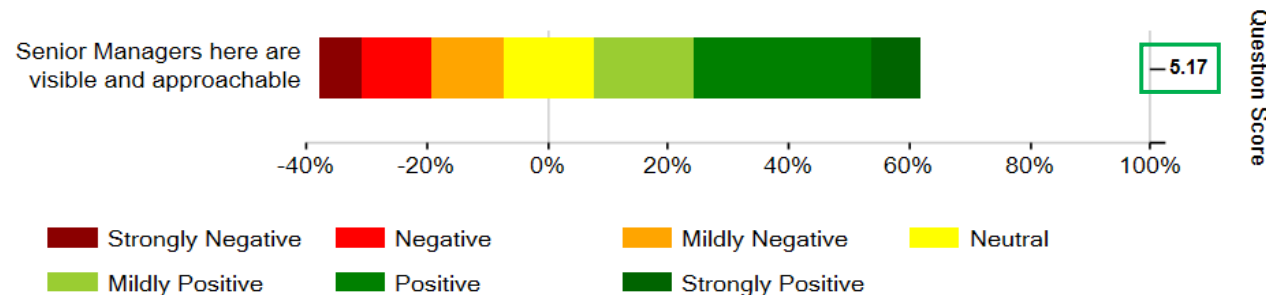
All scores achieved post September 2020 will only be made available using the new Headcount Adjusted calculation*.

*Organisations will be able to access scores calculated using the old methodology for surveys undertaken prior to September 2020. This data can be accessed via the 'Preferences' section within Workplace Insight.

Previous: Size Banding Adjusted Engagement Scores



New: Headcount Adjusted Engagement Scores





**The new calculation in
detail**

The Headcount Adjustment calculation

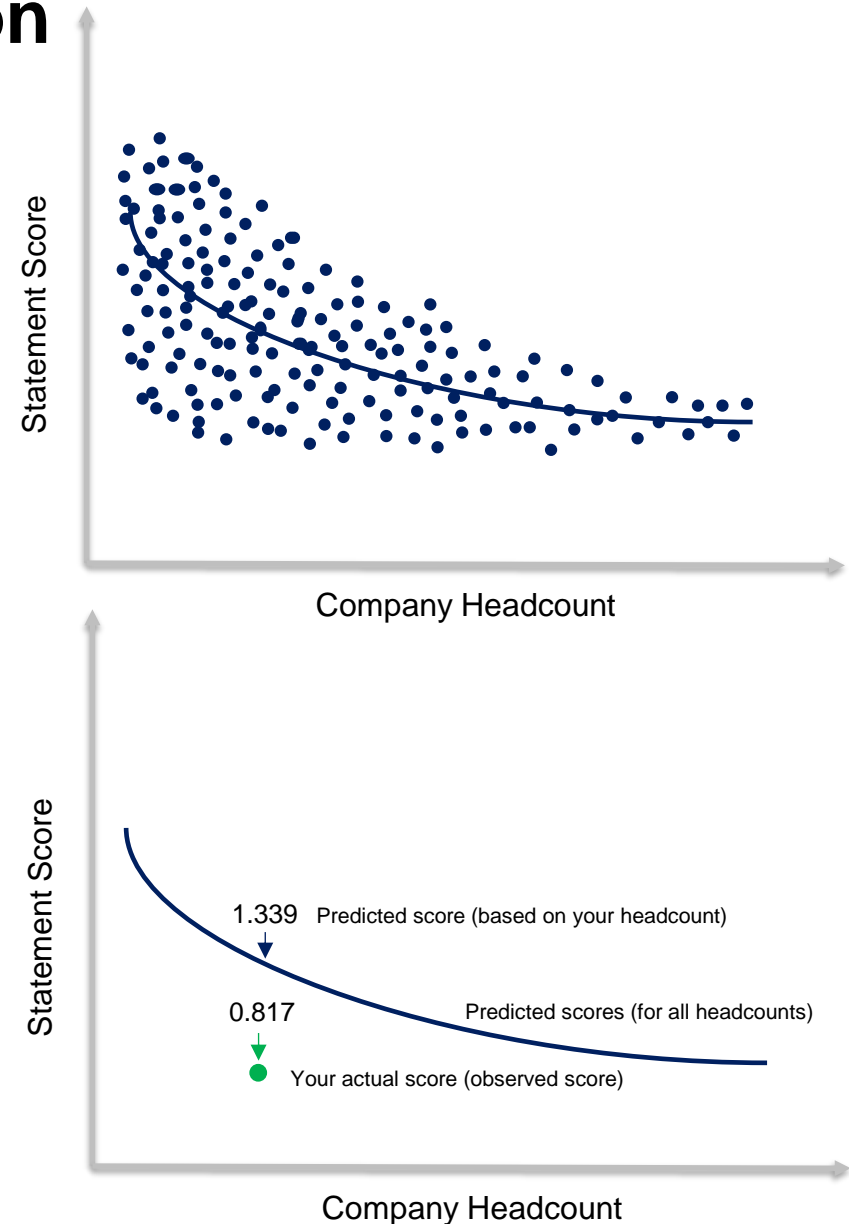
When looking at removing headcount influences from scores, we initially performed a regression analysis based on previous years data collected by Best Companies.

Essentially we are estimating how much one variable predicts / effects another variable. There were two variables per regression; the headcounts and the relevant statement score of all organisations.

The regression analysis provided us with expected or 'predicted' statement scores for organisations with different headcounts. In other words, it gave us the ability to predict the score that an organisation of any headcount should achieve.

Once we have predicted statement scores for every headcount, we can target the predicted score that your organisation is likely to have achieved based on your headcount.

We then take your actual score for that specific statement and follow the process on the next slide.



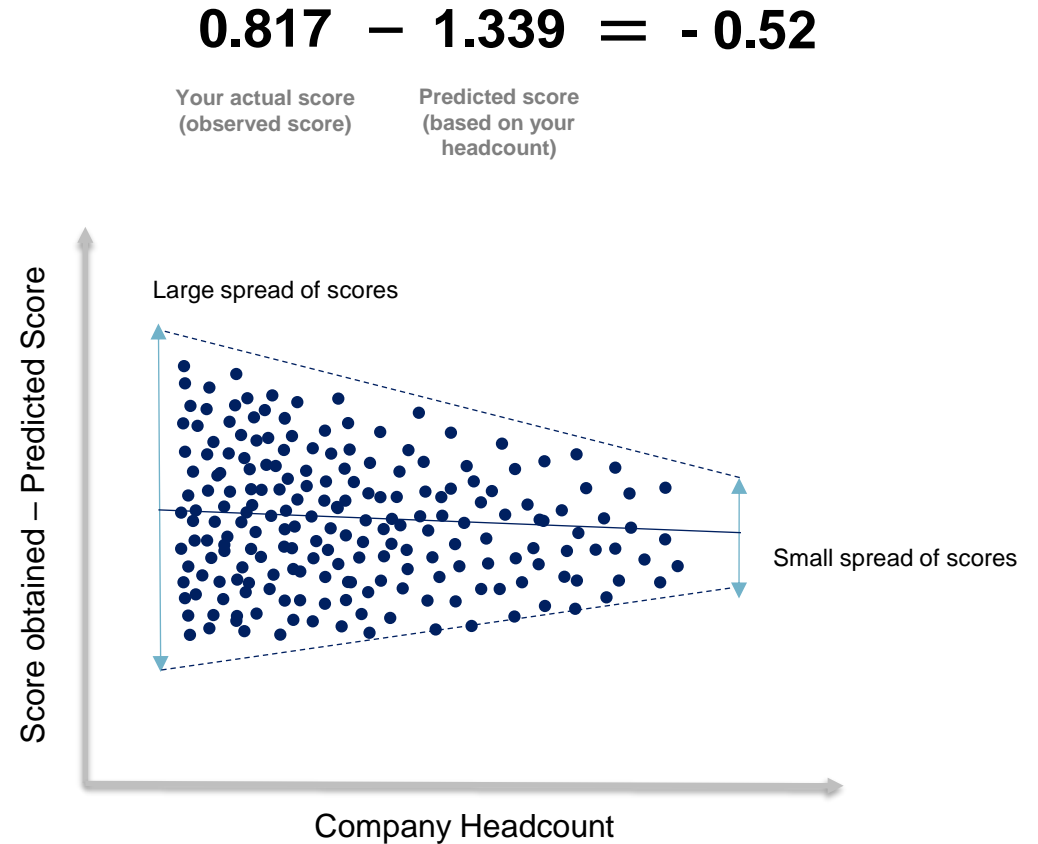
The Headcount Adjustment Calculation

Following the regression analysis, we subtract the predicted score from your actual score. The following process is completed for every statement that is asked on your survey.

The resulting score for each statement tells us how well you would have performed independent of headcount. A positive score means you are performing better than expected for an organisation of your headcount, and a negative score means you are performing worse than expected for an organisation of your headcount.

At this point in the calculation, we identified that larger organisations have a greater probability of achieving more central scores as they have a smaller spread in the data, whereas smaller companies have a greater spread and thus are more likely to achieve a more extreme rating (not accredited or 3 star).

The following slide illustrates the correction.

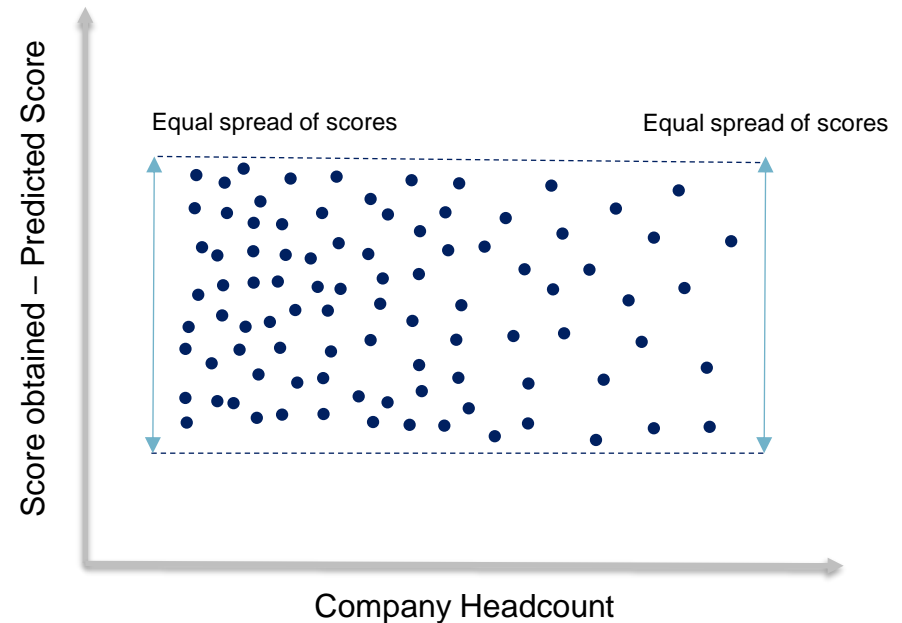


The Headcount Adjustment Calculation

As larger organisations have a greater probability of achieving more central scores, we apply an additional calculation to ensure the distribution is fair to all organisations.

This involved changing the spread of the scores which leads to this scenario.

Finally, our last step is applying a formula to transform the score back to a value that fits the 1-7 scale. This is what is known as the Headcount Adjusted Score.



Thank You

If you have any questions or want more information about any of our products, please email us at support@b.co.uk or visit www.b.co.uk

