

## Everything You Need to Know About Employee Net Promoter Score "eNPS"



## What is Net Promoter Score "NPS"?

NPS stands for Net Promoter Score, which is a customer loyalty and satisfaction metric that was first developed in 1993 by Fred Reichheld. After experimenting with various types of surveys and questionnaires and sending them to thousands of customers in different industries, Reichheld & his team concluded that one specific question stood out as the most correlated with purchase and referral behaviors of customers.

> **The Ultimate NPS Question is:** On a scale of 0 - 10, how likely are you to recommend our product/service to a friend or colleague?

This question became the basis of NPS and is now widely adopted by companies all over the world to measure their *customers' loyalty and satis-faction*.

# What is Employee Net Promoter Score "eNPS"?

eNPS stands for Employee Net Promoter Score, which is an employee-focused metric that is originated from the NPS. Since *satisfied, loyal, and happy* employees are key to the success of any business and have a direct impact on the satisfaction of clients, NPS is now used to measure the loyalty and satisfaction of employees using the eNPS version. The eNPS is also formula-ted through a simple question directed to employees.

#### The Ultimate eNPS Question is:

On a scale of 0 - 10, how likely are you to recommend this company to a friend or family member as a place to work for?

# Measuring eNPS

Like the NPS, respondents - employees - respond to the question by choosing a number from 0 – 10, with 0 being not at all likely to recommend the company as a workplace, and 10 being extremely likely to recommend it. Employees are then divided into 3 main categories according to the score they give:



#### **PROMOTERS (9-10)**

Promoters, also known as ambassadors, are employees who give the company a rate of 9 or 10. They are loyal employees who are happy to work for the company, and they would recommend the company without hesitation and refer to it as an employer of choice.

#### PASSIVES (7-8)

Passives are employees who give the company a rate of 7 or 8. They are not necessarily unhappy about working at the company, but not loyal. In other words, passives are employees who are satisfied with working at the company but are at the same time receptive to competing offers from other companies. The passives do not impact the calculation of the eNPS.

#### **DETRACTORS (0-6)**

Detractors are employees who give the company a rate between 0 to 6. They are not satisfied with their job and the company they work for and might spread negative word of mouth about it. It is crucial to know the reason behind the dissatisfaction of these employees and to address their concerns to prevent employee churn & high turnover rates.

# What is a Good eNPS?

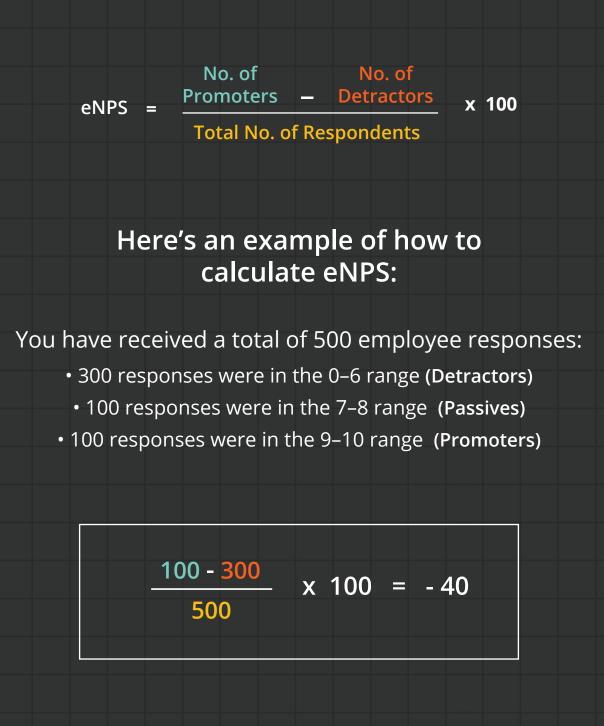
eNPS is subject to many differences across different cultures and industries, therefore it is not recommended to look to other companies as a benchmark. However, companies should start with an initial score and work towards improving it from year to year. The eNPS result can range anywhere from -100 to 100. *Generally, this is how you should interpret your result:* 



It's also important to note that an eNPS result is more likely to be much lower than a normal NPS score because employees tend to be harsher than customers when giving a score for the company they work for as they are very emotionally invested in their jobs.



### How to Calculate eNPS?



Employee Net Promoter Score is always shown as a whole number and never as a percentage. Hence your eNPS in this example is -40. *An eNPS of -40 clearly shows that the company needs to analyze the reasons behind this very low eNPS score.* 

# Tips for Using eNPS Effectively



Anonymity is a must!





Automate the process



**Go beyond eNPS** to assess your culture



Accompany your results with **actionable plans** 



**Share your results** with all managers across the company



**Seek feedback** from your employees to improve your eNPS



Add an **open-ended "Why" question** to your eNPS survey

# The Bottom Line

Employee Net Promoter Score is a *simple, cost-effective, and easily interpretable* metric for measuring employee happiness and loyalty. However, eNPS is not a sufficient metric to analyze your company culture and employee morale.

To get the very most out of eNPS, make sure to combine it with additional surveys throughout the year to be able to fully understand the concerns of your employees and what you can do to strengthen their loyalty and satisfaction, act on what the data tells you, and continuously monitor your progress.





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sales@zenhr.com

KSA +966 54 259 6566 UAE +971 50 804 0218 Jordan +962 6 577 7500

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