How to Measure EMPLOYEE EXPERIENCE

Part 2 of the Benivo Employee Experience Series

In Part 1 of the Benivo Employee Experience series, we established:

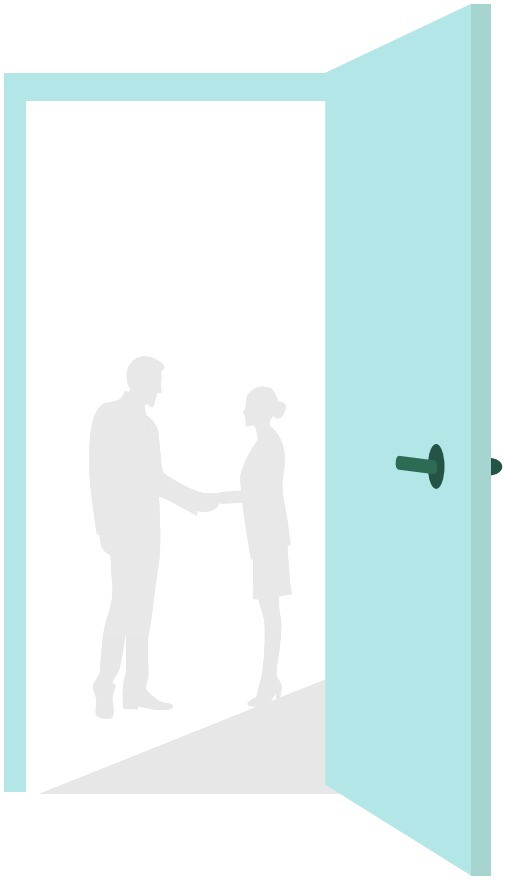
- Why Employer Brand matters (or should matter) as much as Customer Brand
- That Employer Brand is closely related to Employee Experience
- That Employee Experience can be highly subjective, based on the employee's state of mind, which means that Employee Experience is volatile and changes over time
- That there are opportunities for outsized return on Employee Experience at times of higher stress

In this, Part 2, of the Benivo Employee Experience series, we discuss how we can **measure** Employee Experience and how to do it regularly and scalably.

Employee trust and experience are like delicate china. Difficult to create and very easy to damage.

To check in with their employees and measure their Employer Brand perception, many companies use **Net Promoter Score**, or a variation of it.

Here, we will make a case for using the pure, original version of NPS and propose a way to scale this method to capture employee sentiment on a regular basis.



But first, let's establish a few propositions to find common ground:

- Building and maintaining Employee Experience is a **process, not a project**. It would be wrong to treat Employee Experience like a product launch campaign with a beginning and an end. There are always things to build, measure and improve.

- Empires don't crumble in a day. There are very few singular Employer Brand-destroying events. But it is important to catch downward trends early. Short of having a real-time data feed of Employee Experience, it is valuable to monitor employees' perception in regular intervals so that leaders can course-correct in time, before the brand becomes damaged.

The Employer Net Promoter Score (eNPS)

When measuring Employee Experience, many companies use a variation of a scale. Questions range from general job satisfaction to how likely the employee thinks it is that they will still be working with the firm 1-3 years from now. The scales themselves vary from 1-5 to 1-100.

We suggest **going back to basics** and using a tried and tested method for a more realistic and action-inducing method.

Net Promoter Score (NPS) is a concept devised by Fred Reichheld, Bain & Company and Satmetrix Systems. Originally developed for customer relationships, only one question is being asked:

?

How likely is it that you would recommend our company/product/service to a friend or colleague?

This question is intended for the customer-seller relationship. But the employer-employee link is very similar - in both cases it's voluntary exchange of money for services.

So we can adapt the question to the employer-employee relationship by rephrasing it thus:

?

How likely is it that you would recommend your employer to a friend as a company to work for?

The reason this question is so effective for capturing Employee Experience (and therefore Employer Brand) is that by recommending something, we put our reputation at stake on this brand's behalf.

Simply asking about job satisfaction wouldn't capture this degree of personal involvement.

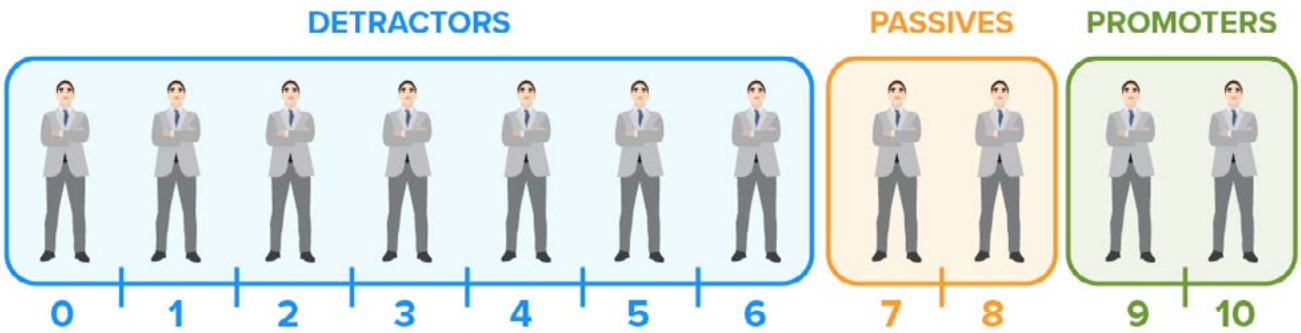
Breaking it Down - How eNPS Works

The respondent is asked to rank their answer on a scale of 0-10.

Respondents who score the company at 6 or lower are considered **detractors** - they are likely to associate negative feelings with the brand and share them with others. They are detrimental to your brand.

Respondents at 7 and 8 are considered **passives** (they are neutral towards you), those at 9 and 10 are **promoters** - they are likely to speak positively about you.

"How likely is it that you would recommend your employer to a friend as a company to work for?"



Employer Net Promoter Score (eNPS) = (% Promoters - % Detractors) *100

The result is then plotted on a scale from -100 to +100.

Examples:

- 5 detractors, 15 passives, 30 promoters. (Total: 50). **eNPS is 50**
  - Formula: (% promoters - % detractors) * 100 = (60% - 10%) * 100 = 50.
- 5 detractors, 43 passives, 2 promoters. **eNPS is -6**
- 0 detractors, 20 passives, 30 promoters. **eNPS is 60**

The innovation of eNPS vs other metrics is the fact that detractors actively chip away at your brand and that passives are dead weight.

Objections to eNPS

When we speak to companies, some objections arise on the following two aspects of eNPS:

? Why is someone scoring 6, which is better than average, counted the same as someone scoring 0, probably a vocal hater?

The creators of NPS concluded that a scorer of 6 out of 10 is not going to be someone whose testimony will result in winning a neutral person over. From 6 downward, testimonies are most likely to have a net negative effect. And that's what matters.

Yes, ideally eNPS would be more granular and weigh a 0 differently than a 6. And of course, you are welcome to implement a more refined version of it. But for our purposes, it works well enough. Also, the point is generally moot because few employees score their employer below 5 anyway. Most detractors will leave before dropping to hater level.

? Why is a 7 or 8 considered a passive and doesn't count?

The inventors of NPS have concluded in their research that the average person scoring 7 or 8 will, when speaking to others about the brand, not sway them either favourably nor negatively.

It does sound slightly surprising that someone scoring 8 out of 10 is considered a "passive" - but then, imagine giving an 8 to a restaurant experience. It probably means you had a good time, and everything was fine, but there was nothing to write home about. It's unlikely you would be a **promoter** - which is defined as someone **proactively** telling people to visit the restaurant. If someone asked you how it was, you'd probably answer something like "it was really good. I wasn't blown away, but everything was lovely". This doesn't amount to promotion. Most people won't rush to book a table when they hear this.

Similarly, if you score a restaurant 7 out of 10, you wouldn't actively dissuade people from going. But if someone asked you about it, you'd probably say something like "It was ok. Bit slow, but the food was good. Big portions."

Countless experiences working is NPS and eNPS have confirmed to us: It indeed a realistic reflection of people's sentiment.

Why it's the best method

The eNPS method is superior to other scale-based systems precisely because of the "punishment" it metes out for detractors and passives.

On a standard 1-10 scale, an occasional 5 is shrugged off as a data point that slightly decreases the average. You wouldn't put much effort into trying to understand them.

But with eNPS, a 5 is a real problem that needs to be taken care of. It's probably someone who talks badly about you when being asked. You will try to understand why they are a 5. And **you're clearly motivated to "neutralise" them** (push them into 7+ territory).

Also, eNPS **pushes you strongly towards excellence**. Because an 8 doesn't add value to your score, you are motivated to bring someone from 8 into 9+ territory. In a normal 1-10 scale, you would be very unlikely to put in this level of effort to achieve a 8->9 improvement.

How to Implement eNPS Measurement

The goal is to check in with employees on a regular basis and to track their perception of the Employee Experience.

Plenty of tools allow you to do that:

- 15Five
- Tinypulse
- Motivii
- ...and many more

For really insightful measuring, and in line with the point we made in Part 1 of our Series about outsized impact of employer actions in times of stress, we recommend implementing a **two-lane system of eNPS measurement.**

A two-lane system helps triangulate reality:

Lane 1
Measures eNPS on a scaled, anonymous basis, e.g. using one of the above tools. It asks every employee in regular intervals about their Net Promoter sentiment.
Anonymity is important for obvious reasons - people will be more honest and not let personal circumstances distract them from the core of the question.

Lane 2
As the CEO of 15Five outlined in an article for Fast Company, there are drawbacks to anonymity, the two most important being:
- It reinforces the notion that anonymity is necessary for honesty - which shouldn't be the case in a healthy organisation.
- It leaves out specific details you need to to know in order to make a change.

While there are good reasons for anonymity, these two points are valid. Therefore, Lane 2 is useful as a complementary method that will help you understand employees' scores in depth, and take action.

There are two sub-groups of Lane 2:

2a)
Regular in-person reviews, but less frequently than Lane 1. Once per quarter or every six months, e.g. during a performance review.

The question should also inquire about the reasons for their score (change).

2b)
Ad-hoc in-person reviews that assess the impact of specific events on the Employee Experience.

2bi)
On a global level, after a major company event such as a reorganisation, a round of redundancies, or a bad PR event has occurred.

2bii)
On an individual level - when the employee has had a stressful experience such as a house move, childbirth, divorce, death in the family, a negative performance review etc.

(Naturally, these have to be made in a sensitive way. But there is no need to shy away from them - most employees will appreciate a question around their wellbeing, anyway).

Bringing the two levels together

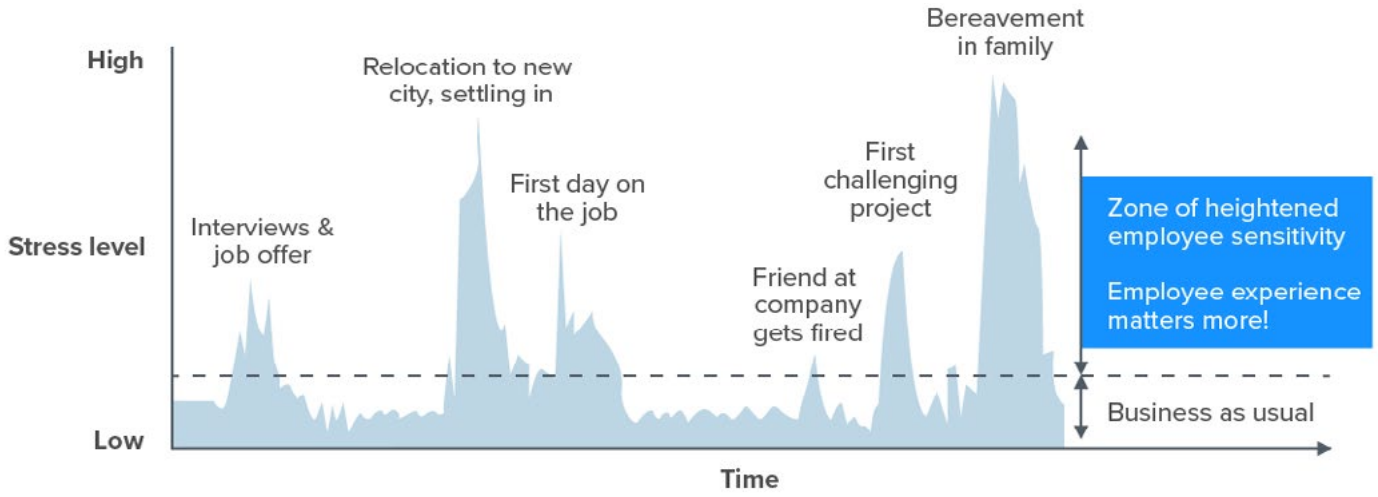
In both 2a and 2b, the manager asks the employee the NPS question during a 1-1 meeting, knows what they said last time, and asks for the reasons behind any changes.

The results are tracked in a company-wide system and aggregated at all relevant levels (team, department, division, company).

There will be a difference between Lane 1 and Lane 2 scores, with anonymous Lane 1 probably giving a more realistic quantitative assessment, and in-person Lane 2 feedback providing more actionable input. **In combination, these two scores will be a very powerful way of triangulating the real Employee Experience and Employer Brand.**

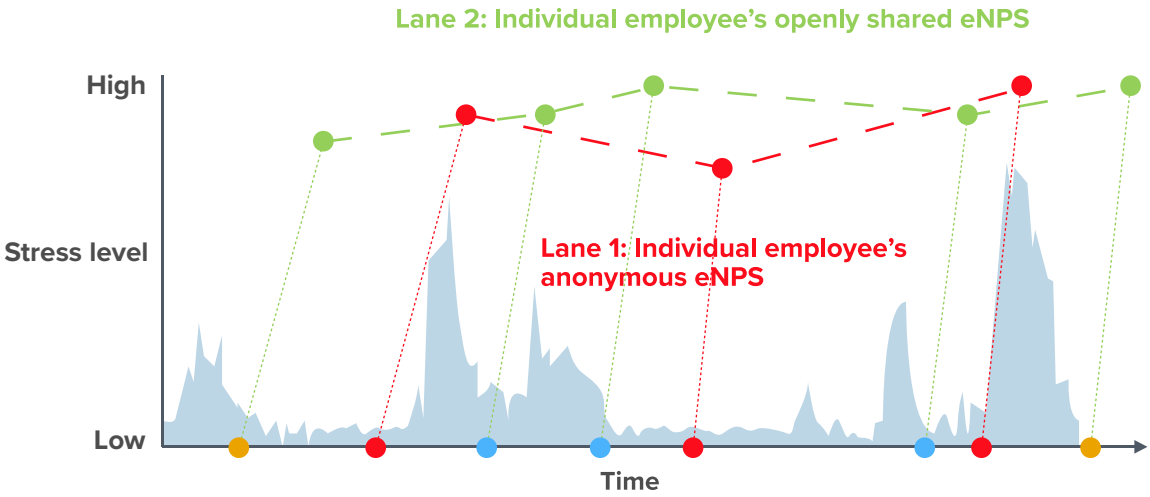
Visual Summary step 1:

Recall that an employee's experience is changing continuously and is often strongly influenced by their stress levels:



Visual Summary step 2:

Great eNPS measurement functions on two lanes: Anonymous check-ins to everyone across the company and an open discussion during 1-1s:



Lane 1

Check-ins: every two months (anonymous)

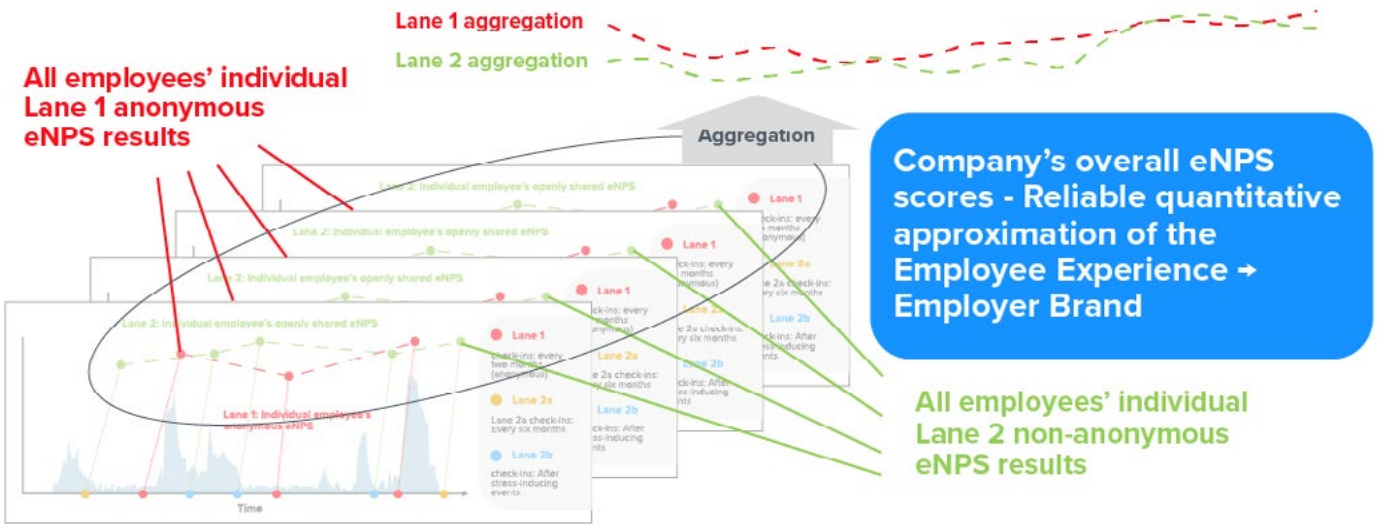
Lane 2a

Lane 2a check-ins: Every six months

Lane 2b

Check-ins: After stress-inducing events

Visual Summary step 3:
Results get aggregated. The two resulting eNPS curves are a good approximation of the total Employee Experience and, thus, Employer Brand.



A Few Stray Pieces of Advice

1. Make the Lane 1 measurement process as fast as possible

Have the employee finish the task in 10-30 seconds: Open email, click through, give the score from 0-10, optionally answer a question such as "If your score has changed vs the last time, please let us know why."

Take inspiration from the speed with which airline passengers can give feedback on their experience.

2. Have a company-wide process owner...

... who ensures that employees don't get asked more than e.g. 10 times per year. The owner will also be the person to regularly remind managers to ask for eNPS in Lane 2 sessions.

3. Use eNPS to measure and compare the relative success of different Employee Experience initiatives...

...and choose those that provide outsized returns. Just make sure you don't ask too often. Not every company party needs to be followed by an NPS survey.

Conclusion

In Part 1

We covered why you should care about Employee Experience which is closely connected to the Employer Brand.

In this Part 2

We outlined a method to reliably measure Employee Experience which has direct influence on Employer Brand.

In the final Part 3

We will look at an example of how one particular type of support by an employer has an outsized return on Employee Experience; why it is so; and how you can use this concept to create similarly impactful Employee Experiences.

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