

EMPLOYEE EXPERIENCE

Choosing an Engagement Measurement



Employee Net Promoter Score® (eNPS) or an engagement index?

When it comes to your main employee experience (EX) outcome, be guided by your organizational needs and context.

Measuring employee engagement is a critical component of employee experience (EX) programs. Industry standards on measuring engagement are evolving, and deciding which tool to use can seem complex. Let's explore two options, based on the latest trends and research.

Engagement Index

Medallia offers a 6-item Engagement Index that measures the core aspects of employee engagement, such as:

- Organizational pride
- Likelihood to recommend the organization
- Enthusiasm
- Environment encourages career longevity
- Sense of accomplishment
- Sense of feeling valued

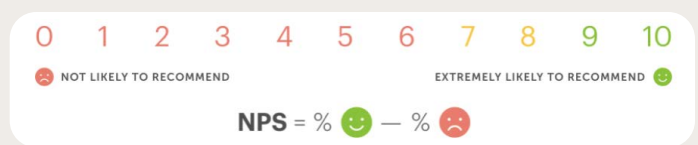
Your company's Engagement Score, or the percentage of employees who are engaged, is calculated using these 6-items. This Index—and many other best practice EX items—uses a 5-point response scale of agreement.

Employee Net Promoter Score (eNPS)

Inspired by a customer experience (CX) metric, eNPS measures employee advocacy. Two options are available:

On a scale of 0 to 10, how likely are you to recommend this organization as a place to work?

- NPS is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others.
- Surveyed on a single question, respondents rate on an 11-point scale the likelihood of recommending the company/brand to a friend/colleague. Based on the rating, customers are classified in 3 categories: Detractors, Passives, and Promoters.



Understand these key considerations for measuring engagement before choosing your approach.

Breadth of Measurement

Ask Yourself: How important is to gather detailed insight to employee engagement in this particular survey?

Remember that EX survey programs can cover a variety of concepts. If engagement is the target, then the survey needs to include topics in employee commitment, passion, loyalty, and willingness to put in effort at work.

In situations such as in an engagement survey, where in-depth understanding of engagement and capturing the employee overall experience is valuable, then an engagement index is useful. This enables a holistic understanding of the state of engagement in your organization, high levels of predictive accuracy, and many options for advanced analytics. Using an index has the additional benefit of being able to tell exactly which aspect of engagement needs to be addressed.

After taking action to address engagement needs, future surveys will be able to provide insight into which areas, specifically, were improved by your actions—for example, knowing if your actions improved employee enthusiasm about their jobs or their intention to stay with the organization.

In contrast, in surveys where engagement is not the key focus, or when simplicity and brevity is key, leveraging eNPS or a similar Likelihood to Recommend question can be powerful, as it renders a useful snapshot of EX. Additionally, eNPS can simplify leadership's user experience, as it provides them with one key outcome to focus efforts on.

Contextual Criteria

Ask Yourself: What organizational or environmental factors do we need to consider when deciding our strategy?

To maximize success of your EX programs, ensure that you consider the broader context of your organization when deciding your EX measurement strategy.

Here are some examples:

- **Program maturity**—If your organization has a mature EX strategy and history of doing other surveys, then consider your historical approach and any implications that changes in your strategy could make.
- **CX programs and focus**—If your organization has a strong CX emphasis and is already familiar with using NPS in its CX programs, then consider the alignment between your EX and CX programs. Leveraging a similar approach, such as NPS in CX programs and eNPS in EX programs, may help users already familiar with CX programs easily understand the new EX metrics.
- **Organizational priorities**—Your engagement approach should be in alignment with your organization's larger priorities and values. For example, if your organization has a strong people analytics focus and values detailed data and specificity, an engagement index will be highly effective. In contrast, if brevity and at-a-glance reporting is most important, consider leveraging eNPS and shorter surveys and reporting.

Conclusion

Employee experience (EX) is an evolving business focus area, and sometimes it can be hard to keep on top of emerging research and trends. Medallia's team of EX experts can help you design a best practice EX program that aligns with your organization's specific needs. Together, we'll help ensure your programs win the hearts of both the workplace and the marketplace.

