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Employee Satisfaction vs. Employee Engagement vs. Employee NPS

Maya Yaneva

PhD student, Institutional affiliation: VUZF, University of Finance,
Business and Entrepreneurship, Sofia, Bulgaria

Abstract

Human Resources are key for the success of business organizations. The science is focusing on Human Resources Management in times when technical resources are rapidly developing and significantly changing the working environment. The requirements toward the human resources are evolving as well. At the same time, the expectations of the candidates toward the employers are getting more demanding in terms of working conditions and appreciation. Employee profiles and change management are key aspects of HR management while the companies are striving to adjust their learning and development programs, working environment and structures in order to retain and develop their associates. Companies start to measure their employees' satisfaction, then converting to employee engagement and nowadays more and more organizations are focusing on employee NPS (net promoter score)¹, which is not only promoting the products or services of the company they are engaged in, but also the company as an employer. This paper is focusing on employee satisfaction, employee engagement and eNPS (employee net promoter score). It gives guidance what are the global trends with local impact, presenting results from several surveys on the Bulgarian market of global and local companies executed between 2012 and 2017. The primary focus of the research is to outline which channels and ways of communications are the most beneficial in the attempts of the business organizations to address their employees, boost their enjoyment and motivation and make them ambassadors of the product and services they produce, but also promote them as an employer. Presenting the outcome of the surveys is giving guidance on top drivers for employee satisfaction, engagement and loyalty. It is leading to conclusions that are enlightening the associates' interpretation of those drivers in the different contexts of business environment. The organizations are conducting internal surveys within their global structures, but also participating in researches on the local market in Bulgaria to cross check the findings and the trends. Local cultural differences are influencing the organizational culture and trends of the business. The paper analyses the results related to the Bulgarian market and provides further recommendations as to how to address the findings resulting from the survey.

Keywords: employee satisfaction, employee engagement, employee NPS, net promoter score, communication, human resources, employee retention

Introduction

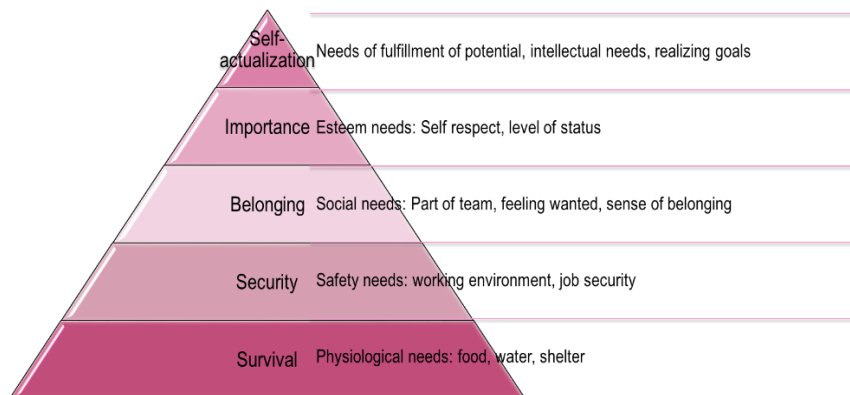
Every organization is striving for profitable and sustainable business; therefore, it is important to analyze the drivers that are supporting the achievement of its main goal. High utilization and efficiency of the employees, as one of the main resources in each organization, are the most complex and difficult to address in times of developing technology and digitalization. The human resources as one of the main resources of each organization remain an intriguing area for the science and practice in order to outline, which drivers enhance the efficiencies and human productivity. Human resources management as a field of the management science is focusing on employees and their interactions with the employers.

¹ AON Hewitt, Engagement survey, 2015 and 2016

Due to the constant and accelerating industrial development, the science is shifting from regulation of the basic needs of labor force in the beginning of the 20th century, through human resources management in mid of the century, and further to direction of human capital development in the recent years.

Similar to the Maslow's pyramid "Hierarchy of needs", employees' needs and expectations evolve, hence very often it is used to support and visualize the engagement levels of employees in the organizations.

Figure 1. Maslow's pyramid "Hierarchy of needs" and employees' needs and expectations in the organization.



Whereas the attitude in working environment is being provoked by the engagement of the employees, different types of employee attitude-, satisfaction- and engagement surveys are being utilized in the organizations in order to ensure that the leadership gets detailed and full picture of employees feelings, perceptions and expectations. These tools are seeking the feedback from the employees about the actions and decisions of the management in terms of ensuring stable working environment, responding to the basic and safety needs of their associates and further providing opportunities for development. until the level of full utilization of the employees' potential.

The objective of this article is to present how the measurement of the employee satisfaction in a global company evolves to net promoter score survey and comparing the results with employee engagement survey in Bulgarian market that is being rolled out.

The company is a leading global business process outsourcing (BPO) provider of customer care and complementary back-office processes its clients are many of the largest and well-known brands in the world. These clients have selected and continue to partner with the BPO provider for one reason: The company delivers the results that are wanted and expected. With over than 30 years of industry experience, this BPO organization has twice been ranked as the top overall call center outsourcing provider in Datamonitor's annual Black Book of Outsourcing survey. Nowadays its' more than 75,000 employees provide clients with predictable and measurable return on their customer investment by building customer loyalty, increasing sales and improving efficiency. With locations span of more than 120 sites in 25 countries across North America, South America, Europe, Africa, and Asia Pacific, the key capital of the company are the employees. The associates are the ones who actually deliver the results expected by the clients. Moreover, to be a leader in the industry or preferred and trusted partner a business organization should even exceed the expectations. The success of the business is in the hands of the associates all over the world, therefore the focus of the organization is to ensure that they retain satisfied and engaged employees that committed and contribute to the success of their employer and clients. This is a very complex task of the human resources partner management team in the company.

In 2009 the HR organization rolls out globally associates' satisfaction survey. Through massive internal communication campaign, the company announces the upcoming survey as a vital tool to provide the organization and its leadership with associates' views and opinions on issues that directly affect them.

The survey contents seven questions:

- What is your overall satisfaction with the company?
- Did you receive the tools to execute your job properly?
- Do you receive praise and recognition for your job and results?

- Do you receive training that keeps you prepared for your tasks?
- Are you given the opportunity to learn and grow in the company?
- Do you think that your opinion counts and actions will be taken based on this survey?
- Do you feel that your management is keeping you informed about key issues?

Seven questions with field for free text answer are shared via web based anonymous survey that gives the opportunity to export and analyze the data. It provides breakdown per location, site, team, department, client supported and length of service with the company. The management of every location reviews the results, presents the outcome of the survey on global and local level and discuss proposal for action plan during open sessions with the employees. Afterwards action plans are shared and regularly updated about the progress of each action.

The results in terms of overall satisfaction of the office in question for the period from 2009 and 2014 vary from 74% to 92%. This office in Sofia exists since 2006 and following the global tendency of correlation between employee satisfaction and tenure in the company the first couple of years during significant growth of the business growth the associate satisfaction is in the range of 85% and above. In 2013 and 2014 after couple of years of stable employee population, the satisfaction decreases to 77% and 74%.

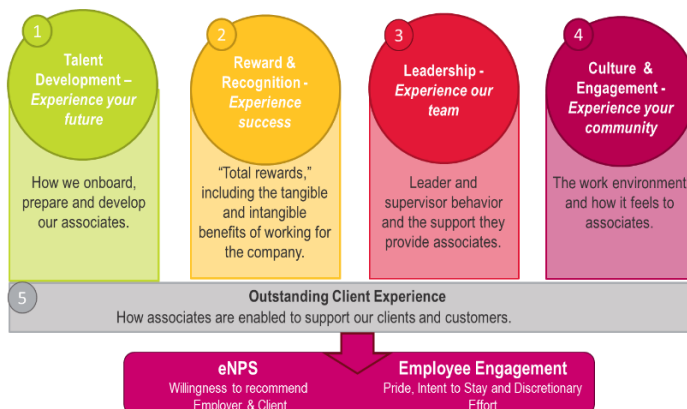
At the same time, the global HR management team is considering a change that aims to deliver better understanding of the employees' feelings toward the employer. They have launched a new brand and People-first strategy. They want to ensure their employee survey aligns to these priorities and is a useful business tool that predicts retention and performance. Thus, they made certain changes to the employee survey in 2015 to address these needs. The changes are meant to help clarifying the purpose of the survey to the associates and measure the success of their People-first strategy. Through dedicated informational campaign, the launch of the new survey describes what the changes are and why they are happening. New employee engagement category is replacing the satisfaction category. It is a more rigorous test of how employees think, feel and behave toward an organization. According to the HR management team the satisfaction is a passive measure and does not reflect company's goal to create passionate and engaged promoters of its employers brand. An overall engagement category score is replacing the overall satisfaction score. In order to ensure the survey meets industry standards, they have revised their Employee Net Promoter Score (eNPS) to only one item, that is the true parallel measure of Customer Net Promoter Score. It measures employee advocacy using an 11-point scale (0-10) and is based on the fundamental perspective that employees can be divided into three (3) categories: Promoters, Passives and Detractors. eNPS is the "ultimate" measure of success - engaged employees are much more likely to promote their organization.

According to the presented scoring system 10 9 8 7 6 5 4 3 2 1 0, where 10 is very likely and 0 is not likely at all, promoters score with 10 and 9, passives are 8 and 7 and detractors are from 6 to 0, inclusive.

The formula for eNPS calculation: % Promoters - % Detractors = eNPS

The survey items examine five important associate experiences that impacts eNPS and engagement. The new format of the survey includes the following categories:

Figure 2. Employee Net Promoter Score categories.



The definitions of the three categories below are introduced to high and middle management of the organization in order to ensure their understanding and support of the change in the process.

In the promoter category are the employees that are loyal enthusiasts, who are committed to their company and urge their friends to do the same. They can be the best advocate and can influence many other potential employees to come their way. They are more productive, more likely to stay with their company for at least a year, less likely to have accidents on the job, and less likely to steal from their company. These employees have most of their performance-related workplace needs met.

The passive employees are satisfied but less enthusiastic and can be easily wooed by the competition. They are company's greatest uncertainty, as they may be productive but they are not connected to their company. They are more likely to miss workdays and more likely to leave their company. These employees have some of their performance-related workplace needs met, but have many needs unmet.

Detractors are the employees that can be the company worst critic and can influence many other current and potential employees. They are typically unhappy employees trapped in a bad relationship by convenience, lack of alternatives, inertia, or other reasons. They are physically present but psychologically absent. They are unhappy with their work situation and insist on sharing that unhappiness with their colleagues. These employees have most of their performance-related workplace needs unmet.

The following table presents the breakdown of items per category and the results of the office in Sofia with 530 participants that have completed the survey.

Table 1. eNPS questionnaire in use and results for 2015 in Sofia.

Priorities	2015 Sit & Tell Items	Sofia (530)
eNPS	eNPS: recommend the company as a place to work	1%
	Promoter	36%
	Passive	28%
	Detractor	36%
	eNPS: recommend my client's products & services	-2%
	Promoter	34%
	Passive	29%
Detractor	36%	
Overall Engagement	I plan to stay at the company for a long time.	49%
	I am proud to work for the company.	48%
	At the company, people are willing to give extra to get the job done.	55%
Talent Development – Experience your future	I have been given opportunity to learn and grow at the company.	51%
	The training I receive prepares me to perform my job to ensure our client's success.	70%
	People are made to feel welcome here.	61%
	My direct supervisor encourages my development.	71%
Reward & Recognition - Experience success	People are rewarded according to their job performance	50%
	I receive praise and recognition for strong performance	62%
	People are encouraged to balance their work and their personal life	48%
	I am satisfied with my work schedule	70%
Leadership – Experience our team	The management team in this location acts in a way that demonstrates that people are a priority.	55%
	The management team in this location keeps me informed about key things.	63%
	My direct supervisor keeps me informed about key things.	79%
	My direct supervisor creates an environment of trust and support for our team.	78%
	My direct supervisor listens and shows understanding when I make an honest mistake.	85%
	My direct supervisor gives me ongoing feedback that helps me improve my performance	81%
Culture & Engagement - Experience your community	My direct supervisors delivers on commitments to me.	81%
	I enjoy coming to work.	60%
	I feel valued as a team member at the company.	65%
	I believe changes will be made as a result of this survey.	43%
	I have the tools, materials and equipment I need to do my job.	67%
Outstanding Client Experience	I feel good about the ways we contribute to the community.	49%
	I can see a clear link between my job and the actions the company is taking to be #1 for my client.	54%
	I understand how my work creates value for my client.	77%
	I have strong relationships and feel connected with my client.	56%
I have the opportunity to provide customer feedback to my manager or client representative.	63%	

Majority of the questions from the satisfaction survey exist in the new survey as well; however, the new one is significantly more detailed and structured in order to support better clarity.

Table 2 is presenting the employee net promoter score in Sofia for 2015, 2016 and 2017. There is big deviation of participants and eNPS. Based on the results presented could be concluded that the employees of this office are not promoters of the employer brand and wouldn't recommend it to a friend for work or to prospect client for partnership. The reality is contradicting such statement as the company doubled its size and the number of employees in 2017, whereas about 50% of the new hires are recommended by current employees. Conducting root cause analyses of the results per category and department it is visible that the score is also dependent on type of the work and client supported.

Table 2. Sofia office eNPS results for 2015, 2016 and 2017.

Sit & Tell Items	2015 Sofia (530)	2016 Sofia (280)	2017 Sofia (680)
eNPS: recommend the company as a place to work	1%	-11%	7%
Promoter	36%	33%	39%
Passive	28%	23%	30%
Detractor	36%	44%	32%

Through years the top drivers for employee satisfaction and eNPS for the company globally and in the office in Sofia are:

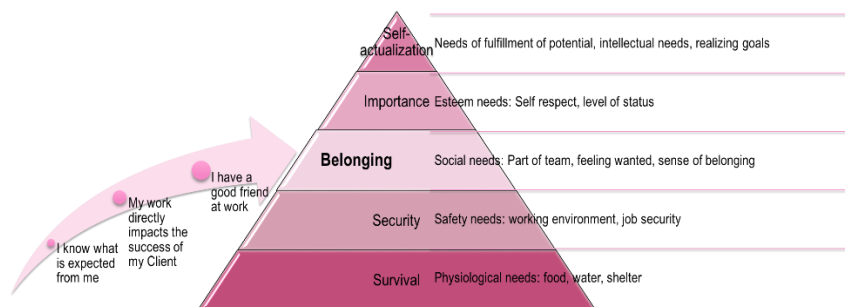
I know what is expected from me

My work directly impacts the success of my Client

I have a good friend at work

In order to execute the job properly to be efficient and successful every employee should be clear on the expectations toward the tasks execution. In the BPO industry as per nature the outsourced tasks are executed on the behalf of the company outsourcing the service, hence the clear understanding that, the employees of the BPO Company are directly affecting the success of the client that they are supporting. Having a friend at work gives the feeling of belonging, appreciation that is motivating the people to be valued part of a team or group.

Figure 2. Top three drivers for satisfaction corresponding to Maslow's pyramid of needs.



The three areas with least satisfaction again both globally and locally in Sofia are:

1. My opinions count
2. I feel that the management team in this location keeps me informed about key things
3. There have been positive changes since the last satisfaction survey

It is interesting fact that these questions have scoring with 60% and above. There is perception among the employees that nevertheless they provide their feedback and suggestions they are not implemented. When it comes to the communication and implementation of actions, it is clear that the associates are missing the transparency. There is big deviation of approximately 30% between top and bottom satisfaction drivers. The management of the company is striving to implement

actions and drive for changes in the internal organization in every location in order to bridge the gap between the both groups. This will help for better consistency in all aspects human resources management. In order to enhance further the engagement of the employees the employers has must ensure that the esteem needs are met. Appreciation, reward and recognition as areas of improvement in order to bring the relationship between employer and employee to the next level.

The third type of survey that is focusing to enhance the employer brand is Best Employer survey, organized and conducted by AON®. This is a survey that is conducted more than 11 years on the Bulgarian market and the company in focus participates in it. The reasons for this company to take part in one more survey is not only to compare the outcome of the different surveys and to benchmark on the local market among the competitors from the same, but also different industries; it is helping the company to leverage the findings and to make strategic decisions about HR policies. In the survey take part more than 50 companies, 13 000 employees from more than 10 industries. The methodology of the survey is focused on the main elements of engagement: mindset change, experience and willingness. Four areas are outlined in order to be best employer and greater performer.

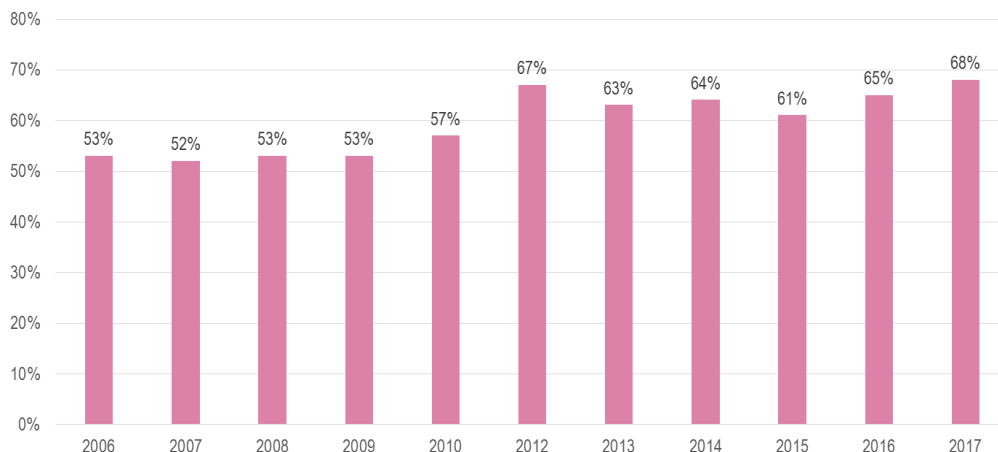
Engagement. Employees speak positively about their employer, they have emotional attachment to the organization and they feel motivated to exert the extra effort to meet the business goals.

Leadership. The top management team of the company can engage the employees with the future vision and the company toward business success. People focus is key ingredient of the management principles.

Performance culture. The employees are aware of the company goals and their personal contribution in the overall performance. People are motivated with different tools to achieve high level of performance and personal growth.

Employer brand. The company manages to attract the workforce that needs to realize the business goals. The company image on the product/service market is aligned with that of the labor market. Employees are offered a fair deal that is kept and respected.

Figure 3. Engagement trends on the Bulgarian Market.



Based on AON engagement survey outcome it is visible that the employee engagement is increasing. With the expansion of foreign investments and development of the local market the engagement among the employees in Bulgaria is developing. Interesting fact is that the companies with foreign participation in the management or ownership are having on average 6% higher employee engagement results compared to the local companies. Again, the companies with foreign experience are more matured in designing the HR policies, which are applied and adjusted to the local market. Employee engagement trends of the Best Employers are about 20% above the average for the country, whereas the BPO industry is at the level of 50%. The biggest drivers for high engagement in this industry is the work-life balance, followed by interactions with the colleagues and trust in the line management.

Comparing the results of the three types of surveys there is trend showing that the companies are striving to improve the working environment, enhance the relationship with the employees in order to be more transparent and responsive the associate's needs. The effect of the HR policies and initiatives is visible in the positive trend of the employees' satisfaction

and engagement. In the last years it is not any more that important an employee to be satisfied with the employer as this keeps the company at the average level, there is nothing special to engage the employee. It is more important to engage the employees, to make them feel that they contribute to the success of the business, to feel the respect and the appreciation, to praise them by giving them the opportunity for creativity.

No matter what type and how often surveys are rolled out in the company if the employees do not see any consequences after that the engagement will decrease in the organization. For the success of every company is crucial to check the pulse of the employees and to make sure that the proper communication, right policies and processes are in place to support that initiative in order to bring this relationship to the next level.

People are getting used to the new things very fast and tend to forget the improvements in the surrounding working environment and if they are not reminded about the efforts invested, or the costs associated in simple office space refurbishment they will take it as given. Hence, the management in the organization in partnership with HR team should systematically inform the employees of the investments done, which are directly or indirectly supporting working environment enhancements.

The surveys are helping to gather detailed feedback that is giving indication if the efforts of the leadership are in the right direction. These pulse checks are supporting the calibration on expectations between employees and employers. It may happen that a social benefit, which is introduced to employees, is with such bad quality that may cause very negative reactions instead of appreciation. It is possible that international companies are rolling out global initiatives, which do not match the local cultural specifics and may cause dissatisfaction among the associates in certain territory. The frequency of the surveys needs to be well planned. Having too often surveys is not giving sufficient time for analyses and auctioning, having irregular surveys might be interpreted by the people as lack of interest from the management side. No matter what is the selected approach it should be supported by proper communication campaign.

The employees are keen to see the outcome of the survey. They are waiting eagerly to see if their own opinion is shared broadly in the organization. Therefore precise timeline needs to be presented in the very beginning what are the dates for the different stages. Again this related to transparency and commitment of the employer. At the end, equally important to the investments and the survey, is that the management of the organization, in a frank and open manner declares what are the changes that are realistic to happen based on the feedback from the survey, and what cannot be actioned, but providing reasonable explanations for that.

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