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EXPLORING THE ROLE OF EMPLOYEE NET PROMOTER SCORE (ENPS) IN ORGANIZATIONAL DEVELOPMENT

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ABSTRACT
In today's competitive business world, organizations are increasingly acknowledging the critical role of employee satisfaction and engagement in driving business success. Employee Net Promoter Score is a powerful metric that measures employee loyalty and satisfaction, providing valuable insights for organizational development. This study explores the application of ENPS in organizational development, highlighting its benefits, level of satisfaction and suggests the factors which influence more for OD. By analyzing ENPS data, organizations can make out areas for improvement, inform strategic decision-making and promote a positive work culture that drives employee engagement, retention and business growth.

Keywords:
Employee Net Promoter Score (ENPS), organizational development, employee satisfaction, engagement, loyalty, business success.

INTRODUCTION

In today's fast-paced and competitive business environment, organizations are continually exploring new ways to foster growth, drive innovation and attain success. One key factor that can make or break an organization's success is its employees. Engaged, motivated and satisfied employees are the backbone of any successful organization. Employee Net Promoter Score provides a simple yet effective way to judge the employee performance and spot areas for improvement. By leveraging ENPS, organizationscan:

✓   Boost employee engagement and motivation

✓   Strengthen employee retention and minimize turnover

✓   Enhance customer satisfaction and loyalty

✓   Drive business growth and innovation

✓   Inform strategic decision-making and organizational developmentinitiatives.

BENEFITS OF ENPS CALCULATION

ENPS helps identify areas for improvement, enabling organizations to increase employee engagement and motivation. Enhanced Employee Experience: By understanding employee satisfaction and loyalty, organizations can create a better employee experience, leading to increased retention and productivity. ENPS helps organizations identify potential turnover risks, allowing them to take proactive steps to retain their top performers. By providing actionable insights, ENPS enables data-driven decisions that can significantly impact business outcomes. Companies that prioritize employee satisfaction and loyalty are better positioned to stand out from competitors and attract top talent.

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ENPS CALCULATION

The Net Promoter Score (NPS), developed by Frederick F. Reichheld, is a widely recognized metric for assessing customer loyalty and predicting business growth. In his seminal article, "The One Number You Need to Grow," Reichheld argues that a simple question—"How likely are you to recommend our company to a friend or colleague?"—can effectively gauge customer satisfaction and loyalty without the need for complex surveys. This straightforward approach has led to significant adoption among large companies, with studies indicating that 71% utilize NPS or similar metrics. The effectiveness of NPS lies in its ability to identify promoters who drive referrals and repeat business while highlighting areas for improvement, making it a critical tool for organizations aiming for sustainable growth.

ENPS is calculated by subtracting the percentage of detractors (employees who respond with a score of 0-6) from the percentage of promoters (employees who respond with a score of 9- 10). ENPS = % Promoters - % Detractors

ENPS SCORES
100 to -50: Extremely dissatisfied employees
50 to 0: Dissatisfied employees
0 to 30: Neutral employees
30 to 50: Satisfied employees
50 to 100: Extremely satisfied employees

LITERATURE REVIEW:

Piotr Sedlak(2020) investigates the effectiveness of the Employee Net Promoter Score (eNPS) as a tool for measuring employee satisfaction in Polish companies. The study, which includes three independent surveys with over 6,500 participants, reveals a strong correlation between eNPS scores and overall employee satisfaction. However, it also points out the risk of misleading numerical values due to the asymmetrical nature of response classifications. Sedlak stresses the importance of combining eNPS with qualitative measures to achieve a more comprehensive understanding of employee sentiment. Overall, the article offers valuable insights into the use of eNPS in human resource management, promoting a balanced approach to gathering employee feedback.

Yaneva (2018) emphasizes that employee satisfaction gauges how content individuals are with their job conditions, whereas engagement indicates their emotional commitment to the organization. The introduction of Employee NPS is presented as an important tool for measuring employee loyalty and advocacy, offering valuable insights into the workplace culture. The article stresses the need for organizations to adjust their HR strategies to align with evolving employee expectations, especially through enhanced training and development opportunities. In conclusion, this research article asserts that focusing on both employee satisfaction and engagement is crucial for cultivating a motivated workforce and driving business success in a competitive landscape.

Dinesh N. and Nandhini Rajasekaran (2018) discussed how organizations can gauge employee satisfaction and its effect on overall growth through the Employee Net Promoter Score (eNPS). Their study concluded that eNPS is a valuable metric for measuring employee satisfaction and loyalty, which are essential for organizational growth. It emphasizes the need for actionable strategies based on employee feedback to enhance satisfaction and promote a positive work environment.

According to Nandhini & Dinesh N. Rao (2018), loyal consumers play a crucial role in reducing marketing costs and enhancing profitability, as they are more inclined to recommend a brand. The origins of the Net Promoter Score (NPS) were introduced by Fred Reichheld, who highlighted its effectiveness in predicting consumer behavior and business performance. The study identifies key factors influencing customer satisfaction and advocates for the integration of NPS into everyday business practices to foster a culture of continuous improvement. By actively responding to customer feedback, companies can enhance their service offerings and achieve sustainable growth. Ultimately, the study concludes that NPS serves not only as a measure of customer loyalty but also as a strategic tool for organizational development.

According to Kristensen and Eskildsen (2014), the NPS, which divides consumers into promoters, passives, and detractors according to how likely they are to recommend a business, is a poor indicator of customer loyalty when contrasted with more conventional metrics such as the EPSI ratings and the American Customer Satisfaction Index (ACSI). The study shows that the NPS is imprecise and extremely susceptible to shifts in data distribution through a thorough examination that includes a survey of the Danish insurance industry. The results imply that for well-informed

management decision-making, businesses should use recognized customer loyalty measurements rather than the NPS. The study underlines the necessity of more investigation into the NPS's efficacy in various corporate and cultural situations.

STATEMENT OF THE PROBLEM
Previous research has shown few aspects that ENPS is a strong predictor of employee turnover intentions, selected organization in Chennai. Lack a systematic approach to measuring and addressing ENPS-related issues. This Study has confirmed that the relationship between employee well-being and employee net promoters scores indicating a potential gap in organizational development. Research has highlighted the importance of shaping employee satisfaction and loyalty. This study answers the following questions.

1.   How can the manager improve our organization's ENPS score?
2.   What factors can we focus to increase employee engagement and satisfaction, and ultimately drive business outcomes?
3.   How can we use ENPS data to inform our organizational development initiatives and drive positive change?

OBJECTIVES
- To understand the concept of employee net promoters score.
- To examine the relationship between employee well-being and employee net promoters score.
- To ascertain the factors influenced on employee net promoters score for organizational development.

HYPOTHESES
Ho: There is no significant relationship between the demographical profiles of the respondents and organizational development.
Ho: There is no significance difference in ENPS score between categories of employees within the organization
Ho: There is no significance association between employee well-being and employee net promoters score.

RESEARCH METHODOLOGY
Descriptive research design is adopted for the study. This study is concerned with describing the factors such as employee related factors, work environmental factors, work force factors and organizational factors for organizational development. This study is also aimed to identify the difficulties, challenges and factors which affect respondents in the organization. Based on the objectives, appropriate hypotheses are framed to find out the association and variance.

SAMPLE DESIGN
The sample design employed for this research is convenience sampling. The study focuses on employee Net Promoter Score (ENPS) for organizational development within large-scale organizations in Tamil Nadu. The research involved selecting respondents from various districts in Tamil Nadu, with a total sample size of 253 participants.

DATA ANALYSIS AND RESULTS
This study analysed data using ANOVA, Factor analysis and Regression analysis.

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Table No: 1

Demographic profile (N = 253)

Demographic variable	Frequency	Percentage
Gender		
Male	135	53.36
Female	118	46.64
Education		
High school	40	15.81
Diploma	82	32.41
UG	53	20.95
PG	43	17
Others	35	13.83
Income (per month) (in Rs.)		
<10,000	90	35.57
10,001 to 20,000	42	16.6
20,001 to 30,000	45	17.79
30,001 to 40,000	32	12.65
>40,000	44	17.39

Source: Primary data

Most of the respondents were male (53.36%) and with female being 46.64%. With respect to education majority of the respondents had Diploma (32.41%) followed by UG (20.95%). It is observed from the table that 35.57% of the respondents earn less than Rs.10,000 per month while 17.79% of the respondents earn Rs: 20,001 to 30,000.

ANOVA

Ho: There is no significance difference in ENPS score between categories of employees withinthe organization

Table No:2

ANOVA						
		Sum ofSquares	df	Mean Square	F	Sig.
C1: Organizational climate	BetweenGroups	19.101	4	4.733		0.000
	Within Groups	110.022		0.407		
	Total	129.123				
C2 : Possible of selfDevelopment	BetweenGroups	18.308	4	4.847		0.000
	Within Groups	117.642		.492		
	Total	135.950				

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C3: Work culture	BetweenGroups	15.604	4	4.166		0.003
	Within Groups	102.907		.449		
	Total	118.221				
C4: Employee engagement	BetweenGroups	15.610	4	3.903		0.000
	Within Groups	103.041		.454		
	Total	118.651				
C5: Reward System	BetweenGroups	16.560	4		4.140 1	
	Within Groups	80.436 227		.354		
	Total	96.996 231				
C6: Employee welfareschemes	BetweenGroups	5.960	4	1.490		0.027
	Within Groups	110.454		.487		
	Total	116.414				
C7: Loyalty	BetweenGroups	9.078	4	2.270		0.014
	Within Groups	133.819		.590		
	Total	142.897				
C8: Team Relationship	BetweenGroups	11.289	4		2.822	
	Within Groups	141.728		.624		

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			df			
	Total	153.017				
C9: Infrastructure	BetweenGroups	9.257	4		2.314	0.153
	Within Groups	1744.187		7.684		
	Total	1753.444				
C 10:Cross functionalcollaboration	BetweenGroups	4.386	4	1.096		0.184
	Within Groups	162.610		.716		
	Total	166.996				

Source: Primary data

From the above table, ANOVA result clarifies that significance difference among various categories of the respondents. The P value of C1 to C8 are less than 0.05. Null hypothesis is rejected. It indicates that there is a significance difference between and within the various categories of respondents. P value of C9 and C10 are above 0.05. It denotes that there is no significance difference in ENPS score between categories of employees within the organization.

FACTOR ANALYSIS
Factor analysis (FA) is a dimension data reduction tool. The researcher often applies   this tool to identify a small number of factors that explain lot of variance observed in larger obvious variables. In other words, factor analysis is a mechanism to group the similar variables as factors. Large number of variables in this research is limited by this data reduction tool.Grouping the variables as factors. So factor analysis is a base analysis which paves the way to complete multiple regression analysis.
KAISER-MEYER-OLKIN MEASURE OF SAMPLE ADEQUACY
Table no: 3

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.813
Bartlett's Test of Sphericity	Approx. Chi-Square	2.170E3
	df	78
	Sig.	0.000

The above Kaiser-Meyer-Olkin Measure of sampling adequacy KMO is a statistic that indicates the proportion of variance in variables that might be caused by underlying factors. KMO value is 0.813. It is greater than 0.5. It indicates that factor analysis is useful for the present study.

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Table No: 4

Total Variance Explained						
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.212	47.861	47.861	3.316	25.505	25.505
2	1.542	11.938	59.799	2.954	22.723	48.227
3	1.185	9.035	68.834	2.679	20.608	68.835
4	.887	6.820	75.654			
5	.721	5.550	81.204			
6	.668	5.141	86.346			
7	.491	3.778	90.124			
8	.380	2.926	93.050			
9	.367	2.821	95.870			
10	.243	1.873	97.743			
11	.129	.994	98.737			
12	.086	.665	99.402			
13	.078	.598	100.000			
Extraction Method: PrincipalComponent Analysis.						

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Table No: 5

Rotated Component Matrixª			
	Component		
	1	2	3
F4::Employee satisfaction	0.855		
F8: Employee contribution	0.797		
F7: Proper Appraisal system	0.793		
F10: Financial and Non financial reward	0.752		
F3:Training and development		0.773	
F11: Technology advancement		0.764	
F12: Talent management		0.752	
F5:Change Management		0.668	
F2: Dynamic work force		0.461	
F9: leadership style			0.796
F6:Positive work culture			0.773
F1:Wellness initiatives			0.731
F13:Stress environment			0.619

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.	
a. Rotation converged in 6 iterations.	

The above tables shows that thirteen factors influenced on employee net promoters score for organizational development. The cumulative percentage indicates that three factors extracted together from the original 13 variables collected. These 13 variables are reduced to three underlying factors. Factor loading measures the variable which shows the close relationship to the factors and helps to interpret the results and label the factors. Eigen values are statistically calculated by adding the squares of the factor loading of all variables in the factors and it me asures the variance in all the variables of the factors.

Based on the rotated factor matrix, variables numbers F4, F8, F7 and F10 have loadings of 0.855, 0.797, 0.793 and 0.752 on factor 1 respectively. In other words, factor 1 consists of four original variables and labeled as 'Employee related factors'. Variable numbers F3, F11, F12, F5 and F2 have loadings of 0.773, 0.764, 0.752, 0.658 and 0.461 on factor 2 respectively. In other words, factor 2 consists of five original variables and labeled as 'Supportive factors'. Variable numbers F9, F6, F1 and F13 have loadings of 0.796, 0.773, 0.731 and 0.619 on factor 3. In other words, factor 3 consists of four original variables and labeled as 'Pleasant factors'. Hence, Factor 1 employee related factors highly influenced on organizational development.

REGRESSION ANALYSIS
Regression equation of Y on X,

Y= a + bX
Y = a + b1X1 + b2X2 + b3X3+… ....bnXn

Where Y is the dependent variable; a is a constant: b is a co-efficient of X; X1 to Xn are Independent variables.

Ho: There is no significance impact of net promoters score on organizational development.

Table No: 6

Model Summary[b]				
Model	R		Adjusted R Square	Std. Error of the Estimate
1	0.795[a]	0.703	0.701	1.40146
a. Predictors: (Constant), F3, F2, F1				
b. Dependent Variable: All total of employee net promoters score for organizational development				

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Table No: 7

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficien	t	Sig.
				ts		
		B	Std. Error	Beta		
1	(Constant)	65.531	.621		105.211	.000
	F1	0.764	.631	.077	1.215	.024
	F2	2.855	.623	.291	4.585	.000
	F3	.628	.635	.063	.990	.023
a. Dependent Variable: All total of employee net promoters score						

The above table indicates that P value is less than 0.05. It is highly significant. Employee net promoter's score highly impacted on organizational development

The above table shows that the relationship between dependent variable and each independent variable. Unstandardized coefficient of factor 1 is 0.764, employee related factors positively impacted organizational development. Coefficient of factor 2 is 2.885, coefficient of factor 3 is 0.628. It indicates that factor 3 positively influence on organizational development. Here all are positive value. P value of all factors less than 0.05. From the above table no shows that all factors are highly significant.

SUGGESTIONS

The managers or owners regularly should collect feedback from employees to understand their satisfaction, engagement, and loyalty. They have to develop targeted initiatives to address the lower ENPS scores among certain employee demographics. They have to implement strategies to align employee expectations with perceptions of the organization's culture, values, and leadership. Management has to monitor and compare business outcomes regularly and establish a specific target ENPS score and develop a plan to achieve it within a defined timeframe. Fostering the positive work culture and stress free environment can lay the foundation for organizational growth and development.

CONCLUSION

This study point out the importance of addressing the gaps in employee satisfaction, engagement and loyalty in order to improve the organization's ENPS scores. By understanding the drivers of ENPS, identifying areas for improvement and developing targeted strategies, organizations can enhance employee experience, drive business outcomes and eventually achieve sustainable growth and success. By tackling the challenges and opportunities outlined in these problem statements, organizations can unlock the full potential of their employees and achieve long-term success.

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